BILL NO. S-81-01-19

SPECIAL ORDINANCE NO. S-36-81

AN ORDINANCE authorizing the City of Fort Wayne to issue its "Economic Development First Mortgage Revenue Bonds, Series 1980 (HERBERT P. HATFIELD & ALICE M. HATFIELD)" and approving other actions in respect thereto.

WHEREAS, the Fort Wayne Economic Development Commission has rendered its Project Report for the Herbert P. Hatfield & Alice M. Hatfield Project regarding the financing of proposed economic development facilities for Herbert P. Hatfield and Alice M. Hatfield and the Fort Wayne Planning Commission has commented favorably thereon; and

Scrivener error corrected 2-2-81 OF

WHEREAS, the Fort Wayne Economic Development Commission conducted a public hearing on August 22, 1980, and also adopted a Resolution on January 26, 1981, which Resolution has been transmitted hereto, finding that the financing of certain economic development facilities of Herbert P. & Alice M. Hatfield complies with the purposes and provisions of I.C. 18-6-4.5 and that such financing will be of benefit to the health and welfare of the City of Fort Wayne and its citizens; and

Words omitted OF

WHEREAS, the Fort Wayne Economic Development Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council and has approved the forms of and has transmitted for approval by the Common Council the Loan Agreement, Note and Mortgage and Indenture of Trust; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, THAT:

SECTION 1. It is hereby found that the financing of the economic development facilities referred to in the Loan Agreement approved by the Fort Wayne Economic Development Commission and presented to this Common Council, the issuance and sale of revenue bonds, the loan of the proceeds of the revenue bonds to Lincoln National Bank & Trust Co. for the acquisition and construction of such facilities and the equipping thereof, the

payment of the revenue bonds by the note payments of Herbert P. and Alice M. Hatfield under the Loan Agreement and Note, and the securing of said bonds by the mortgaging of such facilities to the Trustee under the Mortgage and Indenture of Trust complies with the purposes and provisions of I.C. 18-6-4.5 and will be of benefit to the health and welfare of the City of Fort Wayne and its citizens.

SECTION 2. The final forms of the Loan Agreement, Note and Mortgage and Indenture of Trust approved by the Fort Wayne Economic Development Commission are hereby approved and all such documents (herein collectively referred to as the "Financing Agreement" referred to in I.C. 18-6-4.5), shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk.

SECTION 3. The City of Fort Wayne shall issue its Economic Development First Mortgage Revenue Bonds, Series 1980 (Herbert P. Hatfield & Alice M. Hatfield), in the total principal amount of Three Hundred and Fifty Thousand Dollars ($350,000.00) for the purpose of procuring funds to pay the costs of acquisition, construction and equipping of the economic development facilities as more particularly set out in the Mortgage and Indenture of Trust and Loan Agreement incorporated herein by reference which bonds will be payable as to principal, premium, if any, and interest from the note payments made by Herbert P. Hatfield and Alice M. Hatfield under the Loan Agreement and Note or as otherwise provided in the above described Mortgage and Indenture of Trust. The bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Fort Wayne.

SECTION 4. The Mayor, Clerk and/or Controller are authorized and directed to sell such bonds to the purchasers thereof at a rate of interest per annum on the bonds not to exceed 65 percent of the prime commercial lending rate announced by Lincoln National Bank & Trust Company , and at a price not less than 100 percent of the principal amount thereof.

SECTION 5. The Mayor and Clerk are authorized and directed to execute the documents constituting the Financing Agreement herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the bonds authorized herein. The signatures of the Mayor and Clerk on the bonds may be facsimile signatures. The Clerk is authorized to arrange for delivery of such bonds to the Trustee named in the Mortgage and Indenture of Trust, payment for which will be made to the Trustee named in the Mortgage and Indenture of Trust and delivered by the Trustee to the purchasers thereof.

SECTION 6. The provisions of this Ordinance and the Mortgage and Indenture of Trust securing the bonds shall constitute a contract binding between the City of Fort Wayne and the holder of the Economic Development First Mortgage Revenue Bonds, Series 1980 (**Herbert P. Hatfield &Alice M. Hatfield**), and after the issuance of said bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said bonds or the interest thereon remains unpaid.

SECTION 7. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Vivian G. Schmidt
COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY **JANUARY 26, 1981.**

J. E. Hoffman
JOHN E. HOFFMAN, City Attorney

Read the first time in full and on motion by V. Schmidt, seconded by Don Quinta, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19____, at _____ o'clock ____M.,E.S.T.

DATE: 1-27-81

Charles W. Westerman
CHARLES W. WESTERMAN
CITY CLERK

Read the third time in full and on motion by V. Schmidt, seconded by Stier, and duly adopted, placed on its passage. PASSED (~~LOST~~) by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES	9				
BURNS	✓				
EISBART	✓				
GiaQUINTA	✓				
NUCKOLS	✓				
SCHMIDT, D.	✓				
SCHMIDT, V.	✓				
SCHOMBURG	✓				
STIER	✓				
TALARICO	✓				

DATE: 2-17-81

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (~~APPROPRIATION~~) ORDINANCE (RESOLUTION) No. S-36-81

on the 17th day of February, 19 81.

ATTEST:

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

(SEAL)

John Nuckols
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 18th day of February, 19 81, at the hour of 11:00 o'clock A. M.,E.S.T.

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 19th day of Feb. 19 81, at the hour of 3 o'clock P M.,E.S.T.

WINFIELD C. MOSES, JR.
MAYOR

BILL NO. S-81-01-19

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON Finance TO WHOM WAS REFERRED AN ORDINANCE authorizing the City of Fort Wayne to issue its "Economic Development First Mortgage Revenue Bonds, Series 1980 (HERBERT P. HATFIELD & ALICE M. HATFIELD)" and approving other actions in respect thereto

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE Do PASS.

VIVIAN G. SCHMIDT, CHAIRMAN — Vivian G. Schmidt

JAMES S. STIER, VICE CHAIRMAN

MARK E. GiaQUINTA — Mark E. GiaQuinta

PAUL M. BURNS — Paul M. Burns

ROY J. SCHOMBURG — Roy J. Schomburg

CONCURRED IN

DATE 2/17/81 CHARLES W. WESTERMAN, CITY CLERK

5RC

Admn. Appr._____

DIGEST SHEET

S-81-01-19

TITLE OF ORDINANCE Special Ordinance for issuance of Economic Development Bonds

DEPARTMENT REQUESTING ORDINANCE Economic Development Commission

SYNOPSIS OF ORDINANCE To authorize the issuance of $350,000.00 revenue bonds under the Economic Development Act for acquisitions and construction of a 16.29 acre site located on Indiana State Highway #33, about 3 miles south of Churubusco and a concrete ready mix plant and equipment to be erected thereon for lease to Keystone Concrete, Inc.

EFFECT OF PASSAGE Construction of facilities in Allen County, Indiana, in the amount of $350,000.00, plus creations of _____ new jobs.

EFFECT OF NON-PASSAGE Failure of above.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS)_____

ASSIGNED TO COMMITTEE (PRESIDENT)_____

Tabled

FINAL RESOLUTION
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
FORT WAYNE, INDIANA

RE: HERBERT P. AND ALICE M. HATFIELD PROJECT

BE IT RESOLVED BY THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION THAT:

Section 1. It finds that the proposed financing of economic development facilities in the sum of $350,000.00 presented to this meeting for the Herbert P. and Alice M. Hatfield Project for the construction of a concrete ready mix plant on a 16.29 acre site on State Highway #33 for lease to Keystone Concrete, Inc. complies with the purposes and provisions of I.C. 18-6-4.5 and will be of benefit to the health and welfare of the City of Fort Wayne and its citizens.

Section 2. The final forms of Loan Agreement, Note, Mortgage and Security Agreement, Bond Purchase Agreement and Trust Indenture, lease, and assignment and consent to assignment of the lease, and a proposed form of Ordinance for the Common Council presented to this meeting are hereby approved.

Section 3. The proposed economic development facilities will not have an adverse competitive effect on any similar facilities already under construction or in operation in the City of Fort Wayne, Indiana.

Section 4. A copy of this Resolution shall be presented to the Common Council.

Adopted this 26th day of January, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

BY _____
President

_____
Secretary

2/10/81

CITY OF FORT WAYNE, INDIANA

AND

HERBERT P. HATFIELD AND ALICE M. HATFIELD

LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT

Dated as of February 1, 1981

LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT

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LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT

LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT dated as of February 1, 1981, between the City of Fort Wayne, a municipal corporation organized and existing under the laws of the State of Indiana ("Issuer"), and Herbert P. Hatfield and Alice M. Hatfield, husband and wife and residents of the State of Indiana, and their heirs, devisees, legal representatives, successors and assigns ("Borrowers"):

WITNESSETH:

WHEREAS, the Indiana Code, Title 18, Article 6, Chapter 4.5 (the "Act"), has been enacted by the Legislature of Indiana; and

WHEREAS, the Act provides that an issuer may pursuant to the Act issue revenue bonds and loan the proceeds thereof to a developer or user for the purpose of financing certain costs of purchase or construction of facilities, including real and personal property, for diversification of economic development and promotion of job opportunities in or near such issuer, such revenue bonds being payable primarily from the revenues derived from the repayment of such loan; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by ordinance or ordinances of the legislative body of the Issuer, in furtherance of the purposes of the Act, Issuer proposes to make a loan to Borrowers for the purpose of acquisition and installation of economic development facilities under construction or to be constructed near the City of Fort Wayne, in Allen County, Indiana, consisting of certain economic development facilities described in Exhibit A hereto; and Issuer proposes to provide funds for such loan by the issuance of its revenue bond in the principal amount of $350,000 under a Bond Purchase Agreement (as hereinafter defined) and to secure said revenue bond by an assignment and pledge of this Loan Agreement, Mortgage and Security Agreement pursuant to which the loan is made, including the mortgage, lien, and security interest in the Project (as hereinafter defined) and an assignment and pledge of the Borrowers' promissory note issued to evidence and secure the debt created by said loan; and

WHEREAS, Issuer proposes to loan to Borrowers and Borrowers desire to borrow from Issuer funds to defray the cost of financing the Project and certain incidental costs thereto and to execute and deliver their promissory note to secure such loan upon the terms and conditions set forth herein, to the

Issuer and to convey a mortgage, lien and security interest in the Project (as hereinafter defined) as security for the loan to them by the Issuer;

GRANTING CLAUSE

In consideration of the loan (sometimes hereinafter referred to as the "Loan") made or extended by Issuer to Borrowers from the proceeds of the issuance of the Bonds and in order to secure the payment of the Loan by Issuer to Borrowers represented and evidenced by the promissory note (the "Note") made payable by Borrowers to the order of the Issuer in the face amount of Three Hundred Fifty Thousand Dollars ($350,000), which Note will be assigned and pledged by the Issuer to the Bondholders:

Borrowers mortgage, warrant, and grant a security interest to Issuer in: (a) the real estate located near City of Fort Wayne, in Allen County, Indiana, more particularly described in Exhibit A attached hereto and by reference made a part hereof (the "Project Site"), together with all buildings, structures and fixtures (including but not limited to all lighting, fixtures and mechanical equipment) now or hereafter erected or placed in or upon said above-described real estate or now or hereafter attached to or used in connection with such real estate to the extent such items may be considered part of the real estate under applicable law, and all tenements, hereditaments, easements, appurtenances and other rights and privileges thereunto attaching and belonging, or in any way appertaining, and the rents, issues and profits thereof, all to the use and benefit of the Issuer, its successors and assigns; and

(b) the machinery, equipment, fixtures, building equipment, and tangible personal property described in Exhibit A hereto (the "Project Equipment"), now or hereafter acquired including but not limited to any and all parts, replacements, substitutions, improvements, accessories, attachments and additions thereto and therefor, and all proceeds thereof, if any.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Except as the context otherwise requires, and unless a term is defined in this Section 1.1 hereof, terms used in this Agreement shall have the meaning ascribed thereto in the Bond Purchase Agreement (as hereinafter defined).

"Act" shall mean the Indiana Code, Title 18, Article 6, Chapter 4.5.

"Agreement" means this Loan Agreement, Mortgage and Security Agreement and any amendments and supplements hereto.

"Agreement Term" means the duration of this Agreement as specified in Section 10.1 hereof.

"Bonds" means the Economic Development First Mortgage Revenue Bonds (Herbert P. Hatfield and Alice M. Hatfield Project) to be issued pursuant to the Bond Purchase Agreement and the Ordinance.

"Bond Purchase Agreement" means the Bond Purchase Agreement and Trust Indenture among the Issuer, the Trustee and the Bondholders, dated as of February 1, 1981.

"Bondholders" means the holder of the Bonds and shall initially mean Lincoln National Bank and Trust Company of Fort Wayne, a national banking association. In the event the Bonds are held by two different holders, any action of the Bondholders shall be made by the holder of a majority of the outstanding Bonds, unless the holders agree to the contrary.

"Borrowers" means Herbert P. Hatfield and Alice M. Hatfield, husband and wife and residents of the State of Indiana, and their heirs, devisees, legal representatives, successors and assigns.

"Building" means the buildings, improvements and structures located on the Project Site.

"Code" means the Internal Revenue Code of 1954, as amended.

"Commission" means the Fort Wayne Economic Development Commission, an economic development commission created by the Issuer.

"Costs of the Facilities" with respect to the Project shall be deemed to include those items included in Section 23 of the Act including, but not limited to:

(i) obligations of Issuer or of Borrowers incurred for labor and materials (including obligations payable to Borrowers) in connection with acquisition, construction, installation and equipping of the Project;

(ii) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project;

(iii) all costs and expenses of site preparation, engineering services, including the costs of Issuer or Borrowers for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;

(iv) all costs and expense incurred in connection with the issuance of the Bonds for the purpose of providing funds for construction of the Project, including without limitation legal expenses and fees, costs of printing and engraving, recording and filing fees;

(v) all costs and expenses which Issuer or Borrowers shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction, installation or equipping of the Project;

(vi) any sums required to reimburse Issuer or Borrowers for advances made by either of them for any of the above items or for any other costs incurred and for work done by either of them which are properly chargeable to the Project; and

(vii) interest on the Bonds during the period of construction of the Project.

"Date of Taxability" means the date upon which interest on the Bonds becomes subject to federal income taxation to a Bondholder (other than during such period a Bondholder is a substantial user or related person within the meaning of Section 103 of the Code or any similar federal law then in effect).

"Determination of Taxability" means the occurrence of a determination that interest on the Bonds is subject to federal income taxes; such a determination shall be deemed to have occurred upon (i) any determination, decision or decree made by the Commissioner or any District Director of Internal Revenue

Service, or by any court of competent jurisdiction (including the United States Tax Court, the United States Court of Claims or a United States District Court having jurisdiction over the matter), (ii) receipt by the Bondholders of a certificate of the Borrowers, or (iii) receipt by Bondholders of an opinion of nationally recognized bond counsel, to the effect that interest payable on the Bonds is includable in the gross income of a Bondholder (other than during such periods as a Bondholder is a substantial user or related person within the meaning of Section 103 of the Code or any similar federal law then in effect).

"Event of Default" means any of the events referred to in Section 6.1 hereof.

"Force Majeure" means any cause or event not reasonably within the control of the Borrowers, including, without limitation, the following: acts of God; strikes, lockouts or industrial disturbances; acts of public enemies; restraining orders of any kind by the government of the United States of America or of the State of Indiana or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals.

"Issuer" means the City of Fort Wayne, a municipal corporation organized and existing under the laws of the State of Indiana.

"Lease" means the Lease, dated as of February 1, 1981, between the Borrowers and the Lessee.

"Lessee" means Keystone Concrete, Inc., an Indiana corporation, or any successor or assignee under the Lease.

"Loan" means the loan by Issuer to Borrowers of the proceeds from the sale of the Bonds.

"Net Proceeds", when used with respect to any insurance proceeds or any condemnation award, means the amount remaining after deducting all expenses (including attorneys' fees) incurred in the collection of such proceeds or award from the gross proceeds thereof.

"Note" means the Note or Notes referred to in Section 4.1 hereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Agreement, the Bond Purchase Agreement those encumbrances permitted to exist under this Agreement and

the Bond Purchase Agreement, (iii) utility or water tower and associated facilities, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that will not materially interfere with or impair the operations being conducted on the Project Site, (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project and as do not in the aggregate materially impair the property affected thereby for the purpose of which it was acquired or is held by the Borrowers, (v) mechanics' and materialmen's liens which are not filed or perfected in the manner prescribed by law, as in effect on the date hereof or otherwise, (vi) mechanics' and materialmen's liens filed or perfected in the manner prescribed by law which liens are presently the subject of good faith challenge by the Borrowers, except as provided herein, and (vii) the Lease.

"Project" means the facilities described on Exhibit A hereto, and located on the Project Site, including the Project Equipment.

"Project Equipment" means (i) those items of machinery, equipment and other tangible personal property, now or hereafter acquired, and listed in Exhibit A annexed hereto and made a part hereof, and (ii) any item of machinery, equipment or other tangible personal property acquired in substitution for, as a renewal or replacement of, or a modification or improvement to any Project Equipment; provided that any such item of machinery, equipment or other tangible personal property shall be listed on a schedule added to Exhibit A annexed hereto and made a part hereof, which schedule shall be delivered to the Issuer and the Bondholders.

"Project Site" means the real estate, as described in the Project description, near the City of Fort Wayne, in Allen County, Indiana.

"Taxable Rate" shall mean the rate of interest per annum equal to the prime commercial lending rate announced by Lincoln National Bank and Trust Company of Fort Wayne as such rate changes from day to day plus 2%.

"Trustee" means the trustee which serves as such under the Bond Purchase Agreement.

(End of Article I)

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Issuer. Issuer represents and warrants that:

(a) Issuer is municipal corporation organized and existing under the laws of the State of Indiana. Under the provisions of the Act, Issuer is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. Issuer has been duly authorized to execute and deliver this Agreement. Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) Issuer agrees to lend to Borrowers the proceeds from the issuance of the Bonds for the acquiring and installing of the Project, as may be necessary, subject to the consideration of and as evidenced by the Note and this Agreement, to the end that industry and the economy may be diversified and job opportunities promoted, and to secure the Bonds by pledging, assigning, and granting a security interest in this Agreement and the Note to the Bondholders.

(c) The Issuer represents that it will assign and pledge in the Note and this Agreement to the Bondholders pursuant to the Bond Purchase Agreement, and that no other assignment, transfer, pledge or grant of the Note or this Agreement shall be made by the Issuer.

Section 2.2. Representations by Borrowers. Borrowers represent and warrant that:

(a) Borrowers have not received notice and have no reasonable grounds to believe that they are in violation of any laws in any manner material to their ability to perform their obligations under this Agreement and the Note, and have power to enter into this Agreement and to execute and deliver the Note.

(b) The inducement resolution of the Issuer adopted on September __, 1980, and its indication of interest to issue its Bonds and loan the proceeds to Borrowers for the purposes set forth herein has encouraged Borrowers to acquire and construct the Project in or near the Issuer, and will promote diversification of economic development and create new job opportunities in the area. No part or

component of the Project has been acquired or installed by the Borrowers prior to the adoption of the inducement resolution of the Issuer.

(c) All of the proceeds from the Bonds will be used for the acquisition and installation of the Project. No part of the proceeds are to be used by the Borrowers, directly or indirectly, as working capital or to finance inventory.

(d) The Project constitutes and will constitute property of a character subject to the allowance for depreciation under Section 167 of the Code.

(e) The Borrowers will not use any of the funds provided by the Issuer hereunder in such manner as to, or take or omit to take any action which would, impair the exemption of interest on the Bonds from Federal income taxation.

(f) The Borrowers intend to operate or cause the Project to be operated as an economic development facility until the expiration of this Agreement as provided herein. The Project is of the type authorized and permitted by the Act.

(g) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby including execution and delivery of the Note, nor the provisions of the Bond Purchase Agreement, nor the fulfillment of or compliance with the terms and conditions of this Agreement or the Note, conflicts with or results in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which Borrowers are now a party or by which they are bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any liens, charges, or encumbrances whatsoever upon any of the property or assets of Borrowers under the terms of any instrument or agreement other than Permitted Encumbrances.

(h) No consents, approvals, licenses or authorizations of, or filings with, any governmental authority which have not been obtained or made, and no registration pursuant to the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, are or is required for the making and performance by it of this Agreement or the Note.

(i) The financial statements of the Borrowers furnished to the Bondholders are complete and correct and fairly present the financial condition and results of operations of the Borrowers for the periods indicated therein, all in conformity with generally accepted accounting principles applied on a consistent basis. Since the date of said financial statements, there has been no material adverse change in the financial condition or the business or operations of the Borrowers taken as a whole.

(j) There is no action, suit or proceeding at law or in equity or by or before any governmental agency or authority or tribunal now pending or, to the knowledge of the Borrowers, threatened against or affecting the Borrowers, or any properties or rights of the Borrowers, which, if adversely determined, would materially affect the validity or prohibit the performance of this Agreement, the Bonds, the Bond Purchase Agreement, and the Note, or would materially impair the ability of the Borrowers to carry on their business as now conducted or would materially and adversely affect the financial condition of the Borrowers taken as a whole.

(k) The Agreement and Note constitute legal, valid and binding obligations of the Borrowers enforceable in accordance with their terms. The Bond Purchase Agreement is effective to vest in the Bondholders the right to enforce this Agreement and the Note in accordance with their respective terms, except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally.

(l) Borrowers are the owner in fee simple of the Project Site and the Building and have full power to mortgage the same; Borrowers have good and valid title to the Project Equipment free and clear of any security interests and encumbrances superior to the lien of this Agreement and have full power to grant a security interest in the same; and the Project is free and clear of any and all liens and encumbrances, except Permitted Encumbrances. Borrowers will make any further assurances of title that Bondholders or Issuer may require and will warrant and defend the Project against all lawful claims and demands whatsoever. The Project shall at all times be located on the Project Site, except with the prior written consent of the Issuer and the Bondholders.

(m) The Borrowers will promptly obtain title insurance in the form of an ALTA mortgagee title policy in the face amount of $350,000, and will furnish a copy of such policy to the Bondholders. Any Net Proceeds payable either to the Borrowers or to the Bondholders under such policy shall, at Bondholders' option, be either (i) used to acquire and construct replacement or substitute property for that to which title has been lost and such property shall be subject to the lien of the Indenture, or (ii) be deposited in the Bond Fund and used to redeem the Bonds on the earliest possible redemption date.

(n) All action on the part of the Borrowers necessary for the making and performance of this Agreement and the Note and the other transactions on the part of the Borrowers contemplated hereby has been duly and effectively taken. No further consent, authorization or approval of, or filing or registration with, any governmental or regulatory body is required on the part of the Borrowers for the making and performance of this Agreement or the Note, or the transactions contemplated hereby and thereby.

(End of Article II)

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT;
ISSUANCE OF THE BONDS

Section 3.1. Agreement to Acquire and/or Construct the Project. Borrowers agree that they will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for acquiring, constructing, installing and completing the Project, as well as any additional facilities which in the reasonable judgment of Borrowers may be necessary for operation of the Project, all of which acquisitions and installations shall be made in accordance with the Borrowers' specifications and directions.

Borrowers agree to acquire and install the Project with all reasonable dispatch and to complete the acquisition and installation thereof by _____.

Section 3.2. Ownership and Use of Project Equipment. Issuer and Borrowers agree that title to and ownership of the Project shall remain in and be the sole property of Borrowers in which Issuer shall have no interest, except that the Borrowers shall mortgage and grant a security interest in and pledge the same to the Issuer to secure the payment of the Borrowers' obligations under the Note.

Section 3.3. Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds to make the Loan, Issuer will issue, sell and deliver the Bonds to the Bondholders in the manner and subject to the provisions of of the Bond Purchase Agreement. The Issuer hereby directs the Bondholders to deposit the proceeds of the Bonds with the Trustee in the Construction Fund and appoints the Trustee as agent to receipt for such deposit. Disbursements will be made from the Construction Fund pursuant to signed requisitions of the Borrowers according to the provisions of Section 13 of the Bond Purchase Agreement, which provisions are incorporated herein. The Borrowers covenant that, except for issuance costs, at least ninety percent (90%) of each disbursement from the Construction Fund will be expended on Costs of the Facilities that represent the costs of acquisition or construction of land or property subject to an allowance for depreciation under Section 167 of the Code.

Section 3.4. Establishment of Completion Date. The Borrowers shall furnish to the Bondholders and the Trustee a certificate signed by an authorized representative of Borrowers

stating that, (i) installation and/or acquisition of the Project has been completed and any and all labor, services, materials and supplies used in such installation have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project Equipment so installed is suitable and sufficient for the efficient operation of the Project for the intended purposes and all costs and expenses incurred in the acquisition and installation of the Project have been paid, and (iv) substantially all (90% or more) of the proceeds of the Bonds were used to provide land or property subject to an allowance for depreciation under Section 167 of the Code, which certification shall be required within 60 days after the Project has been fully acquired, constructed and installed. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 3.5. Borrowers Required to Pay in Event Loan Insufficient. In the event the proceeds of the Loan should not be sufficient to pay the Costs of the Facilities in full, Borrowers agree to complete the acquisition and installation of the Project and to pay that portion of the Costs of the Facilities in excess of the moneys available therefor from the Loan. Issuer, Trustee and the Bondholders do not make any warranty, either express or implied, that the Loan will be sufficient to pay all of the Costs of the Facilities. Borrowers agree that if after exhaustion of the Loan Borrowers should pay any portion of the Costs of the Facilities pursuant to the provisions of this Section, they shall not be entitled to any reimbursement therefor from Issuer or from the Bondholders, nor shall they be entitled to any diminution of the amounts payable under Section 4.1 hereof or under the Note.

Section 3.6. Covenants With Respect to Arbitrage. Borrowers hereby warrant and represent to Issuer and Bondholders that the proceeds of the Bonds, including moneys deemed to be proceeds of the Bonds, will not be used in a manner that will cause the Bonds to be an arbitrage bond under Section 103(c) of the Code and the regulations promulgated under that Section.

Borrowers and Issuer, in reliance on Borrowers' covenant herein, covenant, warrant and certify to each other and to and for the benefit of the Bondholders that no use will be made of the proceeds from the issue and sale of the Bonds which would cause the Bonds to be classified as an arbitrage bond within the meaning of Section 103(c)(2) of the Code and the regulations promulgated thereunder. Issuer and Borrowers each obligates

itself throughout the term of the issue of the Bonds not to violate the requirements of Section 103(c) of the Code and any regulations promulgated thereunder.

As used in this Section all words and terms shall have the same meanings as such words are given for the purposes of such Section 103(c) and the applicable regulations promulgated by the Department of the Treasury thereunder.

(End of Article III)

ARTICLE IV

PROVISIONS FOR PAYMENT

Section 4.1. Loan Payments and Other Amounts Payable; Notes; and Credits. Concurrently with the sale and delivery by Issuer of the Bonds, Borrowers shall execute and deliver to Issuer the Note substantially in the form attached hereto as Exhibit B, which Note shall correspond in principal amount and interest to the Bonds. The Issuer directs the Borrowers to make payments on the Note to the Bond Fund; and authorizes the Trustee to disburse moneys in the Bond Fund to make payments on the Bonds as such payments are due.

Borrowers also agree to pay on or before March 31, 1982, and each March 31 thereafter of each year during the Agreement Term, an amount equal to the reasonable and necessary fees and expenses of Trustee and any paying agent not theretofore provided for and any reasonable and necessary fees and expenses of Issuer, Bondholders and the Commission caused by any default of Borrowers pursuant to Article VIII of this Agreement or the Note or Notes.

In the event Borrowers should fail to make any of the payments required in this Section or in the Note, the item or installment so in default shall continue as an obligation of Borrowers until the amount in default shall have been fully paid; provided however, that nothing herein shall impair or affect the provisions of Article VIII concerning the remedies available upon the occurrence of an Event of Default.

Borrowers covenant, warrant and agree that they shall make payment of all installments of principal and interest on the Note pursuant to the terms and conditions thereof without any right of set-off, defense, or counterclaim against either the Issuer or the Bondholders, including, but not limited to whether or not the Project is used or useful, or whether any applicable laws, regulations or standards prevent or prohibit the use of the Project.

If any principal of or interest on the Note falls due on a Saturday, Sunday or public holiday at the place of payment thereof, then such due date shall be extended to the next succeeding full business day at such place and the principal and interest payment shall be the same as that required on the original payment date. If any of the prepayment dates set forth in Article IX hereof shall fall on a Saturday, Sunday or public holiday at the place of prepayment thereof, then such prepayment date shall be extended to the next succeeding full business day at such place and the prepayment price shall be the same as that stated for the original prepayment date.

As provided in Section 6.7 hereof, in certain events, there may be a need for the ~~Company~~ Borrowers to substitute two Notes for the original Note issued hereunder and for the Issuer to substitute two Bonds for the original Bond issued under the Bond Purchase Agreement. In such events, the Issuer shall cause the new Notes to be endorsed to the holders of the newly issued Bonds.

Section 4.2. Payments Pledged. It is understood and agreed that all payments made by Borrowers pursuant to Section 4.1 hereof and the Note are pledged, assigned, and a security interest granted and conveyed therein by the Issuer to Bondholders pursuant to the Bond Purchase Agreement. Borrowers acknowledge and consents to such pledge, assignment, and grant, and hereby agree that their obligation to make such payments shall be absolute and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by Issuer of any obligation to Borrowers, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to Borrowers by Issuer. Issuer hereby directs Borrowers and Borrowers hereby agree to make payments on the Note to the Trustee at its address provided for in Section 10.2 hereof for deposit in the Bond Fund and to pay to the Bondholders at their addresses provided for in Section 10.2 hereof, all other amounts payable by Borrowers pursuant to Section 4.1 hereof and the Agreement.

Section 4.3. Obligations of Borrowers Unconditional; No Abatement. The obligation of Borrowers to make the payments pursuant to this Agreement and the Note and to perform and observe the other agreements on their part contained herein and therein shall be absolute and unconditional. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid, Borrowers (i) will not suspend or discontinue any payments pursuant to this Agreement or the Note, (ii) will perform and observe all their other agreements contained in this Agreement and the Note and (iii) will not terminate this Agreement or the Note for any cause including, without limiting the generality of the foregoing, failure to complete acquisition, construction and installation of the Project, failure of title to the Project or any part thereof, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Indiana or any political subdivision thereof. Borrowers may, at their own cost and expense, prosecute or defend any action or proceeding or take any other action involving third persons which Borrowers deem reasonably necessary in order to insure the acquisition, installation, construction and completion of the Project or to secure or protect their right of ownership, possession and use hereunder, and in such event Issuer hereby agrees to cooperate fully with Borrowers.

It is understood and agreed that Borrowers shall be obligated to continue to pay the amounts specified herein and in the Note and that there shall be no abatement of any such payments and other charges for any reason.

Section 4.4. Insurance Required. Borrowers at their own expense will insure and maintain insurance on the Project, against loss or damage by fire (with extended coverage), theft, burglary, bodily injury and such other risks, with such companies, in such amounts and with such deductibles as are customarily carried by businesses similar to the Borrowers for facilities of a size and type similar to the Project, but in no event shall such coverage be in an amount whereby the Issuer or the Bondholders will be deemed a co-insurer of all or any part of the Project.

Any such insurance policy shall be so written or endorsed as to make losses, if any, payable to Borrowers, Issuer and Bondholders as their respective interests may appear. The Net Proceeds of such insurance shall be applied as provided in Section 5.2 hereof. Each such insurance policy (i) may provide that the policy does not cover the first $10,000 of loss, with the result that Borrowers are their own insurer to that extent and (ii) shall have attached to and made a part thereof a loss payable endorsement in a form acceptable to the Bondholders.

In the event Borrowers shall fail to maintain the full insurance coverage required by this Agreement, the Issuer or the Bondholders may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same; and all amounts so advanced therefor by Issuer or Bondholders shall become an additional obligation of Borrowers secured by the lien hereof to the one making the advancement, which amounts, together with interest thereon at the Taxable Rate, Borrowers agree to pay.

Section 4.5. Use of Project. (a) Borrowers agree and covenant (i) to keep the Project (A) free from any lien, security interest or encumbrance and (B) in good order, condition and repair, (ii) to not waste or destroy the Project or any part thereof, (iii) to not use the Project in violation of any local, state or federal statute, ordinance, law, rule, regulation or regulation having the force of law, and (iv) to notify Bondholders in the event of loss, theft, damage, destruction, levy, seizure, attachment or encumbrance to all or of any part of the Project.

(b) The Borrowers will not assign, sell or offer to sell, exchange, lease, mortgage, pledge, grant a security interest in, transfer or otherwise dispose of or abandon any part of or all of the Project or any interest therein without the prior

written consent of the Bondholders. In the event of the sale of any of the Project and no such sale is hereby authorized or consented to, the proceeds (including but not limited to cash, accounts receivable or other) thereof shall be held and treated as part of the Project hereunder and shall be transferred and paid over to the Trustee for deposit in the Bond Fund and to be applied immediately to prepayment of the the Note in inverse order of the installments of principal due, unless the Borrowers use the sale proceeds to purchase substitute property which shall be included in the Project and be subjected to the lien and security interest hereof.

Section 4.6. Taxes, Other Governmental Charges and Utility Charges. Borrowers will cause all of the following to be discharged before the same become due: all taxes and governmental charges of any kind whatsoever that may at any time be assessed or levied against or with respect to the Project or any interest therein (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the revenues, income or profits of Borrowers from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien hereof or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Bond Purchase Agreement), all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and assessments and charges made by any governmental body for public improvements that may be secured by lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, such assessments shall not be considered due except by installments.

Borrowers may, at their expense and in their own name and behalf, in good faith, contest any such taxes, assessments and other charges, and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided (i) during such period enforcement of any such contested item shall be effectively stayed, and (ii) the Borrowers post bond sufficient for the payment of the lien.

In the event that Borrowers shall fail to pay any of the foregoing items required by this Section to be paid by Borrowers, the Issuer or the Bondholders may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Issuer or the Bondholders shall become an additional obligation of Borrowers secured by the lien hereof to the one making the advancement, which amounts, together with interest thereon at the Taxable Rate from the date thereof, Borrowers agree to pay.

Section 4.7. Financing Statements. (a) At the request of the Bondholders or the Issuer, Borrowers shall execute and deliver to the Issuer the Agreement and one or more financing statements pursuant to the Uniform Commercial Code in form and substance satisfactory to the Bondholders or the Issuer and will pay the cost of filing and recording the same in all public offices wherever filing and/or recording is deemed by the Bondholders or the Issuer to be necessary or desirable.

(b) Borrowers (i) appoint the Bondholders and the Issuer as the Borrowers' agents for the purpose of executing on behalf of Borrowers any financing statements which might be necessary or required to carry out this Agreement, and (ii) authorize the Bondholders or the Issuer to file a financing statement or financing statements without the Borrowers' signature signed only by the Bondholders or the Issuer to reflect the security interest granted to the Issuer hereunder.

(c) The Project is and will be used in Borrowers' business and not for personal, family, household or farming use, and neither the Loan nor any advances made to or for the account of Borrowers by Issuer or the Bondholders were or are to be for the specific purpose of paying wages of employees of Borrowers.

(d) Borrowers shall not use the Project in any manner inconsistent with any of the terms and conditions of (i) this Agreement, (ii) any policy of insurance thereon, or (iii) the Act.

(End of Article IV)

ARTICLE V

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 5.1. Damage, Destruction and Condemnation. Unless Borrowers exercise their option to prepay in full the Loan pursuant to the provisions of Section 9.1 hereof, if prior to full payment of the Bonds (i) any portion of the Project is damaged or destroyed, or (ii) title to, or the temporary use of, any portion of the Project or any estate of Borrowers in the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Borrowers shall continue to be obligated and liable for the payment on the due dates of all installments of principal and interest pursuant to the terms and conditions of the Note and this Agreement and to pay the amounts specified herein and in the Note, and the Issuer, the Bondholders, the Trustee and Borrowers will cause the Net Proceeds of any insurance proceeds or condemnation award resulting therefrom to be deposited in a separate escrow account with the Trustee. The Net Proceeds shall be applied by the Trustee in one or more of the following ways as shall be elected by Borrowers in a written notice to the Bondholders and the Trustee:

(a) The prompt repair, restoration, modification or improvement of the Project by Borrowers to the same condition as existed prior to the event causing such damage or destruction or the exercise of such power of eminent domain. Bondholders and Issuer hereby authorize and direct payments to be made from such separate escrow account for such purposes or to reimburse Borrowers for costs paid by them in connection therewith upon receipt of a requisition acceptable to the Bondholders signed by the Borrowers stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due, (3) the amount to be paid, and (4) that each obligation mentioned therein has been properly incurred, is a proper charge against such escrow account, is unpaid, and has not been the basis of any previous withdrawal. Any moneys held in the separate escrow account under the provisions of this paragraph shall be invested or reinvested at the direction of the Borrowers in Qualified Investments. Any balance of the Net Proceeds remaining after such work has been completed shall be deposited in the Bond Fund and used to prepay the Note at the earliest possible date at the prices set forth in Section 9.1 hereof, or if the Note have been fully paid, any balance remaining in the escrow account shall be paid to Borrowers.

(b) The Net Proceeds may be deposited in the Bond Fund and used to prepay any portion of the Note then outstanding at the earliest possible date at the prices set forth in Article IX hereof if Borrowers shall furnish to Issuer, the Trustee and Bondholders a certificate of Borrowers acceptable to Issuer and Bondholders stating that (i) the property forming a part of the Project that was damaged or destroyed by such casualty or was taken by such condemnation proceedings is not essential to Borrowers' use or possession of the Project; or (ii) the repair, restoration, modification, or improvement of the Project contemplated by subparagraph (a) of this Section 5.1 is not economically practicable.

Section 5.2. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 5.1(a) hereof, Borrowers will nonetheless complete the work and will pay any cost in excess of the amount of the Net Proceeds held in the special escrow account. Furthermore, Issuer, the Trustee and Bondholders shall not be obligated or liable in any manner whatsoever to loan or advance funds to the Borrowers in excess of the Net Proceeds for the purposes of restoring, repairing, modifying or improving the Project.

(End of Article V)

ARTICLE VI

SPECIAL COVENANTS

Section 6.1. No Warranty of Condition or Suitability by Issuer. Issuer and Bondholders make no warranty, either express or implied, as to the Project or that it will be suitable for Borrowers' purposes or needs.

Section 6.2. Right of Access to the Project. Borrowers agree that the Issuer, the Bondholders and their or either of their duly authorized agents shall have the right at all reasonable times during business hours, subject to Borrowers' safety and security requirements, to enter upon the Project Site and to examine and inspect the Project without interference or prejudice to the Borrowers' operation.

Borrowers further agree that the Issuer and its duly authorized agents shall have such rights of access to the Project as may be reasonably necessary to cause to be completed the construction and installation provided for in Section 3.1 hereof, and thereafter for the proper maintenance of the Project, in the event of failure by Borrowers to perform their obligations under Section 4.5 hereof.

Section 6.3. Release and Indemnification Covenants. Borrowers release the Issuer, Trustee and Bondholders from, covenant and agree that the Issuer, Trustee and Bondholders shall not be liable for, and agree to indemnify and hold the Issuer, Trustee and Bondholders harmless against, any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or any other improvements or installations on the Project Site; provided, that the indemnity provided in this sentence shall be effective only to the extent of any loss that may be sustained by the Issuer, Trustee and Bondholders in excess of the Net Proceeds received from any insurance carried with respect to the loss sustained, and provided further, that the indemnity shall not be effective for damages that result from sole negligence or intentional acts on the part of the Issuer, Trustee and Bondholders. To this end, Borrowers will provide for and insure, in the public liability policies required in Section 4.5 hereof, not only their own liability in respect of the matters there mentioned but also the liability herein assumed, which insurance shall be in addition to the insurance otherwise required in Section 4.5 hereof.

Section 6.4. Tax Exempt Status of Bonds Obligation to Increase Interest.

(a) Borrowers covenant that they will not take, or fail to take, any action which action or failure will cause the interest on the Bonds to become subject to federal income taxes pursuant to the provisions of Section 103(b) of the Code so long as the Bonds is outstanding under the Bond Purchase Agreement; provided, that Borrowers shall not have violated this covenant if the interest on the Bonds becomes taxable to a person who is a substantial user of the Project or a related person pursuant to the provisions of Section 103 of the Code.

(b) Notwithstanding any provision in Section 6.4(a) to the contrary, a failure to maintain the covenants set forth in Section 6.4(a) shall not constitute an event of default hereunder so long as the Borrowers pay the amount set forth in subsection (c) hereof.

(c) The Borrowers hereby covenant, warrant and agree that in the event of any Determination of Taxability (i) interest on the unpaid balance of principal of the Note, as at the date of the occurrence of any Determination of Taxability, shall immediately and without any requirement of prior notice to the Borrowers, be increased to the Taxable Rate for the duration of the Agreement Term, and (ii) the Borrowers shall, within 30 days of demand made by either the Issuer or the Bondholders, pay to the Trustee for deposit in the Bond Fund, the difference between (A) the amount of the interest on the Note which would have been received had such interest been computed at the Taxable Rate as at the Date of Taxability to the date the interest on the Note shall be increased in accordance with clause (i) of this Section 6.4(c) and (B) the amount of interest previously received by the Issuer or the Trustee on the Note from the Date of Taxability to the date that interest on the Note shall be increased in accordance with clause (i) of this Section 6.4(c).

Section 6.5. Further Assurances and Corrective Instruments. Issuer and Borrowers agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments and further assurances as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement or the Note.

Section 6.6. Annual Statement. Borrowers agree to cause the Lessee to furnish the Bondholders (a) annually within ninety (90) days after the close of the Lessee's fiscal year the Lessee's balance sheet and income statement certified by its regular independent certified public accountants; and (b) within sixty (60) days after the close of each fiscal quarter of the Lessee the Lessee's balance sheet and income statement prepared by the Lessee as at the end of each fiscal quarter.

Section 6.7. Life Insurance and Sale of Bonds. The Borrowers agree to cause the life insurance policy issued by _____ as # _____, on _____, insuring the life of Herbert P. Hatfield, in the amount of $_____, to be assigned to an irrevocable trust created by Herbert P. Hatfield, and agree to maintain such policy current in an amount at least equal to $100,000 assigned to the Trustee.

In the event of the death of Herbert P. Hatfield, and at the request of the Borrowers and the Bondholders, Issuer agrees to issue two replacement Bonds for the Bond originally issued under the Bond Purchase Agreement, and the Borrowers agree to execute and deliver two replacement Notes for the Note originally executed and delivered hereunder.

(End of Article VI)

ARTICLE VII

ASSIGNMENT, REDEMPTION, MORTGAGING, LEASING AND SELLING

Section 7.1. Assignment. This Agreement and the Note may not be assigned by Borrowers without the prior written consent of the Bondholders.

Section 7.2. Assignment and Pledge of Interest in this Agreement by Issuer. Any assignment, set-over, transfer, grant or pledge by Issuer to the Bondholders of any interest in this Agreement or the Note, or any moneys receivable under this Agreement or the Note shall be subject to this Agreement and the Note.

Section 7.3. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds, all references in this Agreement to the Bonds and the Issuer shall be ineffective and neither Issuer nor the Bondholders shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested.

Section 7.4. Security in Project. Borrowers have mortgaged the Project, including granting a security interest in the Project Equipment to the Issuer, and the Issuer shall assign its interest in and pledge any moneys receivable under this Agreement and the Note to the Bondholders pursuant to the Bond Purchase Agreement as security for payment of the principal of, premium, if any, and interest on the Bonds, but each such grant security interest, assignment or pledge shall be subject and subordinate to this Agreement.

Section 7.5. Installation of Borrowers' Own Machinery and Equipment. Borrowers may from time to time, in their sole discretion and at their own expense, install additional machinery and equipment on the Project Site.

All machinery and equipment so installed by Borrowers (i) shall remain the sole property of Borrowers in which neither the Issuer nor the Bondholders shall have any interest; (ii) may be modified or removed at any time while Borrowers are not in default hereunder; and (iii) shall not be subject to the lien hereof. Borrowers shall furnish to the Issuer and the Bondholders a schedule listing the complete description including but not limited to serial numbers of all items of machinery and equipment on the Project Site belonging to the Borrowers.

Borrowers shall tag or otherwise suitably identify all tangible personal property constituting the sole property of Borrowers and not constituting a part of the Project Equipment, so as to indicate the lack of any interest of Issuer and the Bondholders therein.

Section 7.6. Restrictions on Sale of Project. Borrowers agree that, except as set forth in Sections 7.4 and 7.7 hereof or other provisions of this Agreement or the Bond Purchase Agreement, they will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project during the Agreement Term.

Section 7.7. Lease of Project. Borrowers shall lease the Project to the Lessee, and shall assign the Lease to the Bondholders as collateral for the Bonds. Borrowers agree to maintain the Lease in full force and effect for so long as the Bonds are outstanding, and to not permit any amendments or modifications to the Lease which adversely affect the rights of the Bondholders without their written consent.

(End of Article VII)

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The occurrence of any of the following events shall constitute an Event of Default pursuant to the terms and conditions of this Agreement or the Note and the terms "Event of Default" and "default" shall mean whenever they are used in this Agreement and the Note anyone or more of the following events.

(a) Failure by the Borrowers to make any of the payments required pursuant to the terms and conditions of the Note including but not limited to payments of installments of principal and interest, at the time or times specified therein and the continuation of said failure for a period of one day.

(b) Any warranty, representation or statement made herein or furnished to the Bondholders and/or the Issuer pursuant to this Agreement by or on behalf of Borrowers proves to have been false or misleading in any material respect when made or furnished;

(c) There shall be convened a meeting of creditors of Borrowers;

(d) Borrowers shall (i) discontinue or suspend their business, (ii) make a general assignment for the benefit of creditors, (iii) apply for or consent to the appointment of a receiver, trustee or liquidator of Borrowers of all or a substantial part of Borrowers' assets, (iv) be adjudicated a bankrupt or insolvent, (v) file any petition or have or otherwise suffer the filing of any petition against Borrowers, under any chapter of the Bankruptcy Act, (vi) file a petition or answer reorganization or an arrangement with creditors or seek to take advantage of any other law (whether Federal or State) relating to relief of debtors, or admit (by answer, default or otherwise) the material allegations of a petition filed by or against Borrowers in bankruptcy (whether pursuant to Chapter XI or any other provision or Chapter of the Bankruptcy Act), reorganization, arrangement, insolvency or other proceedings (whether Federal or State) relating to relief of debtors, readjustment of indebtedness, reorganizations, compositions or extensions, (vii) suffer or permit to continue unstayed and in effect any judgment, decree or order, entered by a Court of competent jurisdiction, which approves a petition seeking reorganization of Borrowers or appoints a receiver,

trustee or liquidator of Borrowers of all or a substantial part of Borrowers' assets, (viii) insolvency (however evidenced) or the commission of any act of insolvency, (ix) suffer or otherwise permit the appointment of a receiver of, or the issuance or making of a writ or order of attachment or garnishment against any of the property or assets of, or the making of an application, or the commencement of any proceeding, for an order directing the Issuer or Bondholders to pay over any of the property or assets of Borrowers and (x) take or omit to take any action to effect any of the foregoing;

(e) Failure by Borrowers to observe and perform any covenant, condition or agreement in this Agreement or obligation to prepay the Note on their part to be observed or performed, other than as referred to in Section 8.1(a)-(d), for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, given to Borrowers by Issuer or the Bondholders, unless Issuer and the Bondholders shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Issuer and the Bondholders will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by Borrowers within the applicable period and diligently pursued until the default is corrected.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 hereof shall have happened and be continuing, the Issuer or the Bondholders may take any one or more of the following remedial steps:

(a) The Issuer or the Bondholders may declare the Note immediately due and payable without further presentment, demand, protest, notice of protest or other notice of dishonor of any kind, all of which are hereby expressly waived by the Borrowers.

(b) The Issuer or the Bondholders may take whatever action at law or in equity as may be available to a secured party under Indiana law including the following:

(i) proceed to foreclose the lien of this Agreement without relief from valuation and appraisement laws, (ii) take possession of the Project and collect rents, issues and projects thereof, accrued and to accrue, (iii) the appointment of a receiver in a court of competent jurisdiction, (iv) at any time or times, with or without

judicial process and the assistance of others, enter upon any premises on which any of the Project Equipment may be located and, without interference by Borrowers, take possession of the Project Equipment, dispose of any part or all of the Project Equipment on any premises of Borrowers and require Borrowers and Borrowers shall thereupon be obligated and liable to the Issuer or the Bondholders to assemble the Project Equipment and make it available to the Issuer or the Bondholders at a place to be designated by the Issuer or the Bondholders which is reasonably convenient to both parties. Unless the Project Equipment is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Issuer or the Bondholders will give Borrowers reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrowers shown in this Agreement, at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include but not be limited to the Issuer's or the Bondholders' reasonable attorneys' fees and other legal costs and expenses;

(c) A division of Project Equipment into portions divided according to the location of such Project Equipment and the public sale or private sale at a negotiated price of such Project Equipment by one or more portions to one or more purchasers without assessing a purchase price to each item of such Project Equipment contained in each portion sold, or, in the event that more than one portion is sold to a single purchaser, without assessing a purchase price to each portion so sold to a single purchaser; and

(d) The public or private sale at a negotiated price of Project Equipment as a whole to one purchaser without regard to the location of Project Equipment, without division of such Project Equipment into parts or portions, and without assessing the purchase price to the individual items constituting such Project Equipment.

Any amounts collected pursuant to action taken under this Section 8.2 shall applied to the payment of the Bonds or, if the Bonds has been fully paid, shall be paid to Borrowers.

Without suggesting that other procedures may not also be commercially reasonable or that any of the following procedures is mandatory in any particular case, it is agreed that the

actions set forth in subparagraphs (a)-(d) are all commercially reasonable methods of disposing of the Project should the Issuer or the Bondholders decide to follow any one of them as to all or a part of the Project.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Issuer or the Bondholders is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or the Note or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Issuer or the Bondholders to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event Borrowers should default under any of the provisions of this Agreement or the Note and Issuer and/or the Bondholders should employ attorneys or incur other expenses for the collection of any payments or the enforcement of performance or observance of any obligation or agreement on the part of Borrowers herein or in the Note contained, Borrowers agree that they will on demand therefor pay to Issuer and the Bondholders the reasonable fee of such attorneys and such other expenses so incurred by Issuer and the Bondholders.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement or in the Note should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder or thereunder.

(End of Article VIII)

ARTICLE IX

PREPAYMENT OF LOAN

Section 9.1. Option to Prepay the Loan. So long as Borrowers are not in default under this Agreement, Borrowers shall have and are hereby granted the option to prepay the amounts payable under this Agreement and the Note for the purpose of redeeming the Bonds, including the principal of, premium, if any, and interest on the Note, in whole or in part, on any interest payment date at 100% of the principal amount thereof plus accrued interest to the redemption date.

To exercise such option Borrowers shall give written notice to Issuer and the Bondholders which shall specify therein the date of closing of the prepayment, which date shall be not less than 10 days nor more than 20 days from the date the notice is mailed.

Section 9.2. Obligation to Prepay the Loan. Borrowers shall be obligated to prepay the amounts payable under the Agreement and the Note for the purposes of redeeming the Bonds, but only from the excess proceeds of the Bonds, within 30 days after the Borrowers shall have delivered to the Trustee and the Bondholders their completion certificate provided for in Section 3.4 hereof, all as provided in Section 13 of the Bond Purchase Agreement.

(End of Article IX)

ARTICLE X

MISCELLANEOUS

Section 10.1. Agreement Term. This Agreement shall remain in full force and effect from the date hereof until the principal, premium, if any, and interest on all the Bonds have been paid.

Section 10.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to Issuer, Attention: City-County Building, Fort Wayne, Indiana 46802; if to Borrowers, 11711 Westwind Drive, Fort Wayne, Indiana 46825; if to Bondholders, 116 East Berry Street, Fort Wayne, Indiana 46802 and if to the Trustee, Attention: Trust Department, 116 East Berry Street, Fort Wayne, Indiana 46802. A duplicate copy of each notice, certificate or other communication given hereunder by either Issuer or Borrowers to the other shall also be given to the Bondholders and the Trustee. Issuer, Borrowers, Trustee and the Bondholders may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.3. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Issuer, Borrowers, the Bondholders and their respective successors and assigns.

Section 10.4. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5. Amendments, Changes and Modifications. Subsequent to the issuance of Bonds and prior to their payment in full, neither this Agreement nor the Note may be effectively amended, changed, modified, altered or terminated without the written consent of the Bondholders, which consent is not to be unreasonably withheld.

Section 10.6. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

Section 10.8. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

(End of Article X)

IN WITNESS WHEREOF, Issuer has caused this Agreement to be executed in its name and its seal to be hereunto affixed and attested by its duly authorized Mayor and Clerk, and Borrowers have executed this Agreement in their own names, all as of the date first above written.

CITY OF FORT WAYNE, INDIANA

By _____
Winfield C. Moses, Jr., Mayor

(SEAL)

Attest:

_____
Charles W. Westerman, Clerk

_____
Herbert P. Hatfield

_____
Alice M. Hatfield

EXHIBIT A

THE ECONOMIC DEVELOPMENT FACILITIES

EXHIBIT B

HERBERT P. HATFIELD AND ALICE M. HATFIELD

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, Herbert P. Hatfield and Alice M. Hatfield, husband and wife and residents of the State of Indiana ("Borrowers"), hereby promise to pay to the order of the City of Fort Wayne, Indiana ("Issuer"), on or before 11 o'clock a.m. (prevailing Issuer time) the principal sum of $350,000 with interest in installments as provided below: (a) Principal is payable on April 30, 1981, and on the last day of each month thereafter, in a sum which will equal the principal which will become due on the Bonds on the next succeeding day; (b) Interest is payable on the last day of each month during the Agreement Term, commencing February 28, 1981, in a sum which will equal the interest which will become due on the Bonds on the next succeeding day.

Payments of both principal and interest are to be endorsed to the Lincoln National Bank and Trust Company of Fort Wayne (the "Bondholders"), and are to be made directly to Lincoln National Bank and Trust Company of Fort Wayne, as Trustee (the "Trustee") for deposit in the Bond Fund. Such endorsement is to be made as security for the payment of the bond designated "City of Fort Wayne Economic Development First Mortgage Revenue Bonds (Herbert P. Hatfield and Alice M. Hatfield Project)" (the "Bonds") issued pursuant to the Bond Purchase Agreement and Trust Indenture, among the Issuer and Bondholders, dated as of February 1, 1981 (the "Bond Purchase Agreement"). All of the terms, conditions and provisions of the Bond Purchase Agreement are, by this reference thereto, incorporated herein as a part of this Note.

This Note is issued pursuant to the Loan Agreement, Mortgage and Security Agreement, dated as of February 1, 1981, between Issuer and Borrowers (the "Loan Agreement") and is entitled to the benefits, and is subject to the conditions thereof. The obligations of Borrowers to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by Issuer under the Loan Agreement or under any other agreement between Borrowers and Issuer or out of any indebtedness or liability at any time owing to the Borrowers by the Issuer or for any other reason.

This Note is subject to prepayment under the terms and conditions, and in the amounts, provided in Article IX of the

Loan Agreement which prepayments shall be noted hereon. Interest on this Note may be increased as provided in the Loan Agreement.

If an "event of default" occurs under Section 8.1 of the Loan Agreement, the principal of this Note may be declared due and payable in the manner and to the effect provided in Article VIII of the Loan Agreement.

The Borrowers hereby unconditionally waive diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the Issuer under or in connection with this Note. All amounts payable hereunder are payable without relief from valuation and appraisement laws.

In any case where the date of payment hereunder shall be in the City of Fort Wayne, Indiana, a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then such payment shall be made on the next preceding business day with the same force and effect as if made on the date of payment hereunder.

All terms used in this Note which are defined in the Loan Agreement shall have the meanings assigned to them in the Loan Agreement.

IN WITNESS WHEREOF, Borrowers have caused this Note to be duly executed and delivered as of the ____ day of _____, 1981.

_____
Herbert P. Hatfield

_____
Alice M. Hatfield

Prepayments

Date	Amount	Installments of Principal Eliminated or Reduced

ENDORSEMENT

Pay to the order of Lincoln National Bank and Trust Company of Fort Wayne pursuant to the terms and conditions of the Bond Purchase Agreement dated as of February 1, 1981 between the City of Fort Wayne and Lincoln National Bank and Trust Company of Fort Wayne, without recourse against the City of Fort Wayne.

CITY OF FORT WAYNE

By_____
Winfield C. Moses, Jr., Mayor

(Seal)

Attest:

_____
Charles W. Westerman, Clerk

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, the undersigned, a notary public in and for said county and state, personally appeared Winfield C. Moses, Jr. and Charles W. Westerman, personally known to me to be the Mayor and Clerk, respectively, of the City of Fort Wayne, State of Indiana, and acknowledged the execution of the foregoing Loan Agreement, Mortgage and Security Agreement for and on behalf of the City of Fort Wayne.

WITNESS my hand and notarial seal this _____ day of _____, 1981

_____
(Written Signature)

_____
(Printed Signature

Notary Public

(SEAL)

My commission expires:

_____

My county of residence is:

_____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, the undersigned, a notary public in and for said county and state, personally appeared Herbert P. Hatfield and Alice M. Hatfield, personally known to me to be said persons and acknowledged the execution of the foregoing Loan Agreement, Mortgage and Security Agreement for and on behalf of themselves.

WITNESS my hand and notarial seal this _____ day of _____, 1981

_____
(Written Signature)

_____
(Printed Signature

Notary Public

(SEAL)

My commission expires: _____

My county of residence is: _____

2/10/81

BOND PURCHASE AGREEMENT AND TRUST INDENTURE

AMONG

CITY OF FORT WAYNE, INDIANA

LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE,
AS TRUSTEE

AND

LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE

DATED AS OF FEBRUARY 1, 1981

BOND PURCHASE AGREEMENT AND TRUST INDENTURE

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BOND PURCHASE AGREEMENT AND TRUST INDENTURE (herein called the "Bond Purchase Agreement") dated as of February 1, 1981, between:

THE CITY OF FORT WAYNE, INDIANA, a municipal corporation organized and existing under the laws of the State of Indiana, (herein called the "Issuer");

LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, a national banking association (who with any successor holder of the Bond or Bonds shall be collectively called "Bondholders"); and

LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, AS TRUSTEE, a national banking association (herein called the "Trustee").

In consideration of the Bondholders' purchase of the Bonds (as hereinafter defined) and the acceptance by the Trustee of the trusts hereby created and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure payment of all amounts payable under the Bonds and this Bond Purchase Agreement, Issuer hereby grants, assigns, transfers and pledges and grants and conveys a security interest in the Loan Agreement, Mortgage and Security Agreement (herein called the "Agreement"), dated as of February 1, 1981, between Issuer and Herbert P. Hatfield and Alice M. Hatfield (herein called the "Borrowers") (including the lien and security interest in the Project (as defined in the Agreement) granted therein by the Borrowers to the Issuer), the Note, the Construction Fund, and the Bond Fund (as hereinafter defined), to the Bondholders and has endorsed to the Bondholders the Note executed and delivered to the Issuer by the Borrowers, including all extensions and renewals of the term thereof, if any, together with all right, title and interest of Issuer therein, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any of the income, revenues, issues and profits and other sums of money payable or receivable thereunder, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which Issuer is or may become entitled to do under the Agreement or the Note; provided, that the assignment and pledge made by this clause shall not impair or diminish any obligation of Issuer under the Agreement or the Bond Purchase Agreement and the Bondholders shall not be subject to or liable for any obligation or liability of the Issuer under the Agreement.

Section 1. CERTAIN DEFINITIONS. As used in this Bond Purchase Agreement, the terms defined in the Agreement shall have the same meaning herein as ascribed thereto in the Agreement.

"Authorized Investments" means (i) bonds or other obligations of the United States or of subsidiary corporations of the United States government fully guaranteed by the government of the United States; (ii) obligations issued by the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank, or Central Bank for Cooperatives; (iii) certificates of deposit of national or state banks which have deposits insured by the Federal Deposit Insurance Corporation, including the Bondholders, and certificates of deposit of federal savings and loan associations and state building and loan associations which have deposits insured by the Federal Savings and Loan Insurance Corporation; and (iv) repurchase agreements secured by the securities described in clauses (i) and (ii) hereof.

"Bonds" means the City of Fort Wayne, Indiana, Economic Development First Mortgage Revenue Bonds (Herbert P. Hatfield and Alice M. Hatfield Project), substantially in the form of Schedule A, annexed hereto and made part hereof, in the amount of $350,000, and any replacement Bonds caused to be issued due to the events described in Section 6.7 of the Agreement.

"Bond Fund" means the fund established by the Issuer with the Trustee in Section 13(a) of this Bond Purchase Agreement.

"Borrowers" means Herbert P. Hatfield, and Alice M. Hatfield, husband and wife and residents of the State of Indiana, and their heirs, devisees, legal representatives, successors and assigns.

"Construction Fund" means the fund established by the Issuer with the Trustee in Section 13(b) of this Bond Purchase Agreement.

"Ordinance" means the ordinance of the governing body of the Issuer adopted on _____, 1981, by which the Issuer, inter alia, is authorized to execute and deliver this Bond Purchase Agreement and the Agreement, and is authorized to issue, execute and deliver the Bonds under this Bond Purchase Agreement.

Section 2. REPRESENTATIONS. The Issuer represents, covenants and warrants to the Bondholders that:

1. The Issuer confirms its representations, covenants and warranties set forth in Section 2.1 of the Agreement.

2. The Issuer has the power and lawful authority: to execute and deliver this Bond Purchase Agreement and the Agreement; to issue the Bonds provided for by this Bond Purchase Agreement and to lend the proceeds of the Bonds to the Borrowers for the purpose of financing the Project pursuant to the terms

and conditions of the Agreement to the end that the proceeds of the Bonds shall be applied to the Cost of the Facilities; to assign, transfer, pledge and grant and convey a security interest in and to the revenues derived and to be derived by the Issuer from the Agreement and the Note for the purpose of providing for the prompt and punctual payment of installments of principal and interest on the Bonds and premium, if any, thereon and for the purpose of securing the payment of the installments of principal and interest on the Bonds by means of a pledge, transfer, assignment, and the grant and conveyance of a security interest in and to the Agreement and the Note and to perform and observe all of the terms and conditions of this Bond Purchase Agreement and the Agreement on the part of the Issuer to be performed and observed pursuant thereto.

3. By the Ordinance the Issuer has been duly authorized to execute and deliver this Bond Purchase Agreement and the Agreement, and to issue the Bonds.

4. There is no action, suit, proceeding or investigation at law or in equity before or by any court, either state or federal, or public board or body pending or, to the knowledge of the Issuer, threatened, calling into question the creation, organization or existence of the Issuer, the validity of this Bond Purchase Agreement, the Bonds, or the Agreement, or the authority of the Issuer to make or perform this Bond Purchase Agreement and the Agreement, or to issue or perform its obligations under the Bonds.

5. The making and performance of this Bond Purchase Agreement, the Agreement, and the Bonds and the transactions contemplated hereby and thereby will not violate any provision of any law or regulation, or of any decree, writ, order or injunction, or of the by-laws or other organic documents of the Issuer, and will not contravene the provisions of, or constitute a default under, or result in the creation of a lien, charge or encumbrance under, any agreement, indenture, bond ordinance or other instrument, other than the Agreement and this Bond Purchase Agreement, to which the Issuer is a party or by which the Issuer or any of its assets is bound.

6. All action on the part of the Issuer necessary for the making and performance of this Bond Purchase Agreement, the Agreement, and the Bonds and the other transactions on the part of the Issuer contemplated hereby has been duly and effectively taken. No other consent, authorization or approval of, or filing or registration with, any governmental or regulatory body is required on the part of the Issuer for the making and performance of this Bond Purchase Agreement, the Agreement or the Bonds, or the transactions contemplated hereby and thereby.

8. All requirements and conditions specified in the Act, the by-laws or other organic documents of the Issuer and all other laws and regulations applicable to the adoption of the Ordinance, the execution and delivery of this Bond Purchase Agreement and the Agreement and the execution, delivery and issuance of the Bonds have been fulfilled.

9. This Bond Purchase Agreement, the Agreement, and the Bonds constitute valid and binding obligations of the Issuer enforceable in accordance with their respective terms under the laws of the State of Indiana.

Section 3. PURCHASE OF BONDS.

Description of the Bond. The Issuer does hereby sell to Bondholders and the Bondholders do hereby purchase the Bonds from the Issuer. The Issuer shall lend the proceeds thereof to the Borrowers by directing the Bondholders to deposit such proceeds into the Construction Fund. The Issuer directs the Trustee to acknowledge on behalf of the Issuer the deposit of the proceeds thereof into the Construction Fund and directs the Trustee to disburse such proceeds for the Costs of the Facilities all as provided in Section 13(b) hereof. The Bonds shall be dated the date of issuance thereof, shall be in the principal amount of $350,000; shall be payable as to principal as follows: (i) on May 1, 1981, and on the first day of each month thereafter to and including March 1, 1996, the amount of $1,944.44 for each monthly payment, and (ii) on April 1, 1996, a final payment in the amount of the entire principal amount remaining unpaid on the Bonds; and shall bear interest on the unpaid balance of principal thereof at the rate per annum of 65% of the prime commercial lending rate announced by Lincoln National Bank and Trust Company of Fort Wayne at its principal office, payable on the first day of each month, commencing on March 1, 1981, except as provided in the event of a Determination of Taxability.

The Bonds issued hereunder shall be in a form substantially similar to the form attached hereto as Schedule A, with such changes as are deemed necessary by the Borrowers, the Issuer, and the Bondholders.

As provided in Section 6.7 of the Agreement, the ~~Board~~ Issuer has agreed in certain events to cause two replacement Bonds to be issued in place of the Bond originally issued hereunder.

Section 4. REDEMPTION AND INCREASED INTEREST. (a) The Bonds shall be redeemed upon the like prepayment of the Note as follows:

(i) Optional. The Issuer shall redeem the Bonds upon the direction of the Borrowers in whole or in part on any interest payment date at 100% of the principal amount thereof plus accrued interest to the redemption date, upon prepayment of the Note pursuant to Section 9.1 of the Agreement.

(ii) Required. The Issuer shall redeem the Bonds and cause the Borrowers to prepay the Note from the excess proceeds of the Bonds held in the Construction Fund in accordance with the provisions of Section 13(b) hereof and Section 9.2 of the Agreement, at 100% of the principal amount theref, plus accrued interest to the redemption date.

(iii) Required. If funds are deposited in the Bond Fund for redemption of the Bonds pursuant to Sections 2.2, 4.5, 5.2 or 9.2 of the Agreement, the Bonds shall be subject to redemption by Issuer on any interest payment date, in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date.

Upon each redemption, interest on the principal amount prepaid, accrued to the redemption date, shall be paid on such redemption date, and each partial redemption shall be applied to the installments of principal of the Bonds in the inverse order of their payment; provided, however, that in the event two replacement Bonds are issued as provided in Section 3 hereof, the order of redemption shall be in inverse order of the maturities due on each Bond, redeeming the Bond held by Lincoln National Bank and Trust Company of Fort Wayne, or its successor or assigns, first. Notice of such redemption must be given by the Borrowers to the Issuer, the Trustee and the Bondholders not less than 10 nor more than 20 days prior to the redemption date.

b. In the event of an occurrence of a Determination of Taxability, interest on the Bonds shall increase to the Taxable Rate in the manner set forth in Section 6.4(c) of the Agreement and the Issuer shall be obligated to pay to the Bondholders the payments received from the Borrowers or deposited in the Bond Fund under Section 6.4(c) of the Agreement.

Section 5. PAYMENTS, ETC. All payments of principal, interest and other charges under this Bond Purchase Agreement or the Bonds shall be made in lawful money of the United States of America, payable at the principal office of the Trustee in immediately available funds and shall be made no later than 11:00 a.m. Issuer time on the date due. Interest on the Bonds shall be calculated on the basis of a year of 360 days consisting of twelve 30 day months. If any principal of or interest on the Bonds falls due on a Saturday, Sunday or public holiday at the place of payment thereof, then such payment shall be

made on the next succeeding full business day at such place, but no interest shall be payable in respect of such extension. If any of the redemption dates set forth in Section 4 hereof fall on a Saturday, Sunday or public holiday at the place of redemption thereof, then such redemption payment shall be made on the next succeeding full business day at such place, but the redemption price shall be the same as that stated for original redemption date. Payments made by the Borrowers pursuant to Section 4.1 of the Agreement shall be credited against the payment requirements of this Section.

Section 6. CONDITIONS. The obligations of the Issuer to issue the Bonds and of the Bondholders to purchase the Bonds under this Bond Purchase Agreement is subject to receipt by the Bondholders of the following in a manner and in form and substance satisfactory to the Bondholders:

(a) The fully executed copies of the Agreement and this Bond Purchase Agreement, in form and substance satisfactory to the Bondholders; (b) certified copies of the Ordinance and of the action taken by the governing body of the Issuer and the Commission to approve and authorize the Agreement, this Bond Purchase Agreement and the Bonds; (c) the executed Bonds and the Note endorsed to the Bondholders by the Issuer; and (d) opinions of counsel to the Issuer and the Borrowers in a form and substance satisfactory to the Bondholders, and (e) an opinion of Ice Miller Donadio & Ryan in a form and substance satisfactory to the Bondholders.

Section 7. LIMITED OBLIGATION; PLEDGE; SATISFACTION.

a. Limited Obligation. The Bonds, together with interest thereon, shall constitute limited obligations of the Issuer, and the principal of, premium, if any, and interest on the Bonds shall be payable solely from the revenues and payments derived and to be derived by the Issuer from the Agreement and the Note and secured only by a pledge, transfer, assignment and the grant and conveyance of a security interest in the Agreement and the Note. Notwithstanding anything in this Section 7(a) to the contrary, neither the Bonds nor any of its agreements or obligations shall be construed within the meaning of any constitutional or statutory provision of Indiana to be or considered an indebtedness of the Issuer, the State of Indiana or any other municipality, political subdivision or county whatsoever.

b. Satisfaction of Debt. Except for the payment of the Bondholders' expenses, all payments made by or on behalf of the Borrowers to the Bondholders, or to its successors or assigns, or upon its or their order for the account of the Issuer, pursuant to the Agreement shall, to the extent of the sum or sums

so paid, satisfy and discharge the obligation of the Issuer for moneys payable upon the Bonds, provided that the Bondholders in its sole discretion may apply such sum or sums to payments of principal and/or payments of interest or any portion of either thereof then due and payable upon the Bonds.

Section 8. COVENANTS OF THE ISSUER. The Issuer hereby agrees with the Bondholders that, so long as the Bonds remains outstanding:

a. The Issuer shall take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under this Bond Purchase Agreement, the Agreement or the Bonds and in order to provide for and to assure payment of the Bonds and any premium or interest thereon when due.

b. The Issuer shall not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or lien, encumbrance or charge on any revenues or assets pledged and assigned to the Issuer under the Agreement and Note, including the lien and security interest therein granted in the Project, excluding, however, the Agreement and this Bond Purchase Agreement.

c. The Issuer shall not alter, amend or repeal the Ordinance, or, without the prior written consent of the Bondholders, agree to any alteration or amendment of the Agreement, or take any action impairing any authority, right or benefit given or conferred by the Ordinance, the Agreement or this Bond Purchase Agreement.

d. The Issuer shall pay or cause to be paid the principal of, premium, if any, and the interest on the Bonds as the same become due as provided by the terms and conditions thereof, by declaration or otherwise, but solely from the revenues and payments referred to in Section 7.

e. Notwithstanding any other provision of this Bond Purchase Agreement, the Issuer warrants, represents and covenants that (i) it will make no use of the proceeds of the Bonds or of any of its funds or of the Bonds which will cause the Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code or Treasury Department Regulations promulgated thereunder as at the time in effect, and (ii) so long as the Bonds are outstanding, it will comply with the requirements of said Section 103(c) and the applicable Treasury Department Regulations promulgated thereunder.

(f) At the request of the Bondholders, Issuer shall execute and deliver to the Bondholders one or more financing statements pursuant to the Uniform Commercial Code in form and substance satisfactory to the Bondholders.

Section 9. DEFAULTS. The occurrence of any one or more of the following events shall constitute an event of default pursuant to the terms and conditions of this Bond Purchase Agreement:

(a) Default in the payment when due of any installment of principal, premium, if any, or interest on the Bonds or default in the payment of any other amount payable to the Bondholders hereunder; or

(b) Any event of default specified in the Agreement shall have occurred and be continuing; or

(c) The Issuer shall default in the due performance or observance of any covenant or agreement on its part contained in this Bond Purchase Agreement, the Agreement or any endorsement of the Note or any representation made herein or therein shall prove to have been untrue when made and fail to remedy such default within 30 days after notice thereof from the Bondholders to the Issuer and the Borrowers unless the nature of the default is such that it cannot be remedied within the thirty-day period and the Bondholders agree in writing to an extension of time and the Issuer and the Borrowers agree in writing to an extension of time and the Issuer or the Borrowers institute corrective action within the period agreed upon and diligently pursue such action until the default is remedied.

Section 10. REMEDIES. Upon the occurrence of any event or events of default as specified above, and at any time thereafter, the Bondholders shall have the right upon notice in writing to the Issuer and the Borrowers (i) to exercise all of the rights and remedies of the Issuer pursuant to the terms and conditions of the Agreement and the Note, or (ii) without limiting the rights and remedies of the Bondholders pursuant to the Agreement, to declare the unpaid balance of principal and all accrued interest on the Bonds and all other sums payable by the Issuer to be forthwith due and payable whereupon the same shall become immediately due and payable, all without protest, presentment, notice of protest or other notices of dishonor of any kind all of which are hereby expressly waived by the Issuer except that such declaration or acceleration shall not be required in the case of an event of default pursuant to Section 9(a) hereof which event or events of default shall cause an automatic acceleration of the unpaid balance of principal of and all accrued interest on the Bonds and all other amounts payable by the Issuer hereunder.

Any moneys realized from the enforcement of the rights and remedies of the Bondholders hereunder or under the Agreement shall be applied in the following order:

(i) to the payment of the expenses of collecting such moneys and/or enforcing such rights and remedies by the Bondholders;

(ii) to the payment of interest on the Bonds; and

(iii) to the payment of principal on the Bonds.

The rights and remedies of the Bondholders shall be exercised in the alternative or cumulatively. Any single or partial exercise of any such right, power or remedy shall not preclude the later exercise thereof or exercise of any right, power or remedy hereunder.

Section 11. NOTICES. All notices, requests and demands shall be in writing and shall be given to or made upon the respective addresses specified in the Agreement or such other addresses as any party may specify in writing to the party providing such notice, request or demand and shall be effective upon the mailing of notice, postage prepaid, to the addresses shown in the Agreement.

Section 12. DEFEASANCE. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, the principal of, premium, if any, and interest on the Bonds and all other amounts payable by the Issuer at the times and in the manner stipulated in this Bond Purchase Agreement or the Bonds, then all covenants, agreements and other obligations of the Issuer hereunder, and the security interests created by this Bond Purchase Agreement, shall thereupon terminate and be discharged and satisfied, and thereupon all the moneys and properties of the Issuer then subject to such security interests shall be free and clear thereof.

Section 13. FUNDS AND INVESTMENTS.

(a) Bond Fund. (1) Creation of the Bond Fund. There is hereby created and established with the Trustee a trust fund to be designated "City of Fort Wayne Economic Development (Hatfield Project) Bond Fund".

(2) Payments into the Bond Fund. There shall be deposited in the Bond Fund (i) any amount required to be paid pursuant to Section 13(b) hereof, (ii) all amounts paid as principal of, premium, if any, and interest on the Note, (iii) all interest and other income received on investments as provided in Section 13(c) hereof, (iv) any

amount required to be paid pursuant to Section 8.2 of the Agreement and (v) all other moneys received by the Trustee for which specific provision is not made elsewhere herein or in the Agreement.

(3) Use of Moneys in the Bond Fund. All moneys transferred to the Bond Fund from the Construction Fund shall be used by the Trustee to redeem the Bonds as provided in Section 4 hereof. Except as provided in clause 4 hereof, other moneys in the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds and for the redemption of Bonds prior to maturity.

Any moneys set aside at the direction of the Borrowers for payments of principal or interest on any Bonds and the amount of which has been applied as a credit against the Borrowers' obligation to pay the Note pursuant to Section 4.1 of the Loan Agreement, shall not be used for any other purpose.

Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds and to pay interest to accrue thereon to such redemption, the Trustee shall give notice to the Borrowers and the Bondholders, who shall cause the Bonds to be redeemed on the next succeeding redemption date for which the required redemption notice may be given.

(4) Repayment to the Borrowers from the Bond Fund. Any amounts remaining in the Bond Fund after payment in full of the principal of, interest and premium, if any, on the Bonds and the reasonable fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder, shall be paid to the Borrowers.

(b)(1) Construction Fund; Creation and Disbursements. There is hereby created and established with the Trustee a trust fund to be designated "City of Fort Wayne, Economic Development (Hatfield Project) Construction Fund." The proceeds of the Bonds shall be deposited in the Construction Fund and shall be used in accordance with the provisions of the Agreement. The Trustee is hereby authorized and directed by the Issuer to make disbursements from the Construction Fund as provided herein and in the Loan Agreement without further authorization from the Issuer.

The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs filed as provided in

clause 2 hereof, the Trustee shall file a statement of income and disbursements with respect thereto with the Issuer and the Borrowers.

The Trustee is directed to make disbursements from the Construction Fund, upon receipt by the Trustee of a requisition of the Borrowers signed by the Borrowers and approved by the Bondholders, stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due, (3) the amount to be paid, (4) that each obligation mentioned therein has been properly incurred, is a proper charge against the Account, is unpaid therefrom, and has not been the basis of any previous withdrawal; and (5) that all of such disbursed proceeds shall be applied by the Borrowers, either to reimburse the Borrowers for Costs of the Facilities previously incurred and paid (and not previously reimbursed), or to pay Costs of the Facilities incurred, in connection with the acquisition, construction, and equipping of the Project.

(2) Completion Date. The date of completion of the Project shall be evidenced to the Issuer, the Trustee and the Bondholders by a certificate signed by the Borrowers as provided in Section 3.4 of the Agreement.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Immediately upon receipt of such certificate and upon giving notice to the Borrowers, all moneys remaining in the Construction Fund after payment or provision for payment of all items provided for as Cost of the Facilities, except for moneys retained with the approval of the Borrowers for payment of items not then due and payable, shall be transferred by the Trustee to the Bond Fund and used by the Trustee at the direction of the Borrowers as provided in Section 9.2 of the Agreement to redeem the Bonds, in whole or in part, as provided in Section 4 hereof at 100% of the principal amount thereof and shall be used to prepay the Note pursuant to Section 9.2 of the Agreement.

(c) Investment of Construction Fund Moneys and Bond Fund Moneys. Any moneys held as a part of the Bond Fund or Construction Fund shall be invested or reinvested by the Trustee at the written direction of the Borrowers to the extent permitted by law in such Authorized Investments as the Borrowers shall direct. Any such investment shall be

held by or under the control of the Trustee and shall be deemed at all times a part of the fund in which such moneys were originally held and the interest accruing thereon and any profit or loss realized from such investments shall be credited or charged to the appropriate fund. The Trustee shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in either fund is insufficient to make the payments required from such fund regardless of the loss on such liquidation. The Trustee may make any and all investments permitted by this Section through its own bond department.

(d) The Trustee covenants that at any time that it has discretion as to such investments it will not use or invest the proceeds of the Bonds in any manner which will cause the Bonds to become arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

The Issuer covenants that so long as the Bonds remain outstanding the Issuer will not take or authorize the taking of any action which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of said Section 103(c) and any lawful regulations promulgated or proposed thereunder, including Sections 1-103-13 and 1-103-14 of the Income Tax Regulations (26 CFR Part 1) as the same presently exist, or may from time to time hereafter be amended, supplemented or revised.

(1) Custody of the Bond Fund. The Bond Fund and the Construction Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Trustee to withdraw and apply funds from the Bond Fund and the Construction Fund for the purposes set forth in clause (3) of subsection (a) hereof as such payments become due and payable or as provided in Section 8.1 of the Agreement or as provided in subsection (b) hereof.

(2) Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund or the Construction Fund under any provision hereof shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee, constitute part of the trust estate.

(3) Trustee's Fees, Charges and Expenses. Pursuant to the provisions of Section 4.1 of the Loan Agreement, the Borrowers have agreed to pay the reasonable fees, charges and expenses of the Trustee hereunder.

Section 14. (a) ACCEPTANCE OF THE TRUSTS. The Trustee hereby accepts the trusts imposed upon it hereby, and agrees to perform said trusts, but only upon and subject to the following terms and conditions, and no implied covenants or obligations shall be read herein against the Trustee:

(1) The Trustee undertakes to perform such duties and only such duties as are specifically set forth herein or in the Agreement. In exercising any of its rights or duties, unless a different standard shall be set out herein, the Trustee shall use the same degree of care and skill as a prudent man would under the circumstances in the conduct of his own affairs.

(2) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

(3) The Trustee shall not be responsible for any matter herein, in the Agreement, or in the Bonds or for the validity of the execution by the Issuer of this Bond Purchase Agreement or for any supplements thereto or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, except as to the administration of the Construction Fund or Bond Fund; the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 13(c) hereof.

(4) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect all books, papers and records of the Borrowers pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(5) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(6) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(b) Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees and expenses.

(c) Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(d) Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the Issuer, Bondholders and the Borrowers shall take effect at the end of such 30 days, or upon the earlier appointment of a successor Trustee by the Bondholders or by the Issuer. Such notice to the Issuer and to the Borrowers may be served personally or sent by registered mail.

(e) Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer, and approved by the Bondholders.

(f) Appointment of Successor Trustee by the Bondholders. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Bondholders. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing within the State of Indiana, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(g) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer, Bondholders and the Borrowers an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all of the properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor Trustee the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the paying agents of its appointment as successor Trustee.

(h) In the event of a change of the Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee and the successor Trustee shall become Trustee.

Section 15. MISCELLANEOUS.

a. Waivers, etc. No failure on the part of the Bondholders to exercise and no delay in exercising, and no course of dealing with respect to, any right under this Bond Purchase Agreement, the Agreement, or any other agreement or instrument referred to in this Bond Purchase Agreement, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law.

b. Assignment and Transfer by the Bondholders. The Bondholders may assign their interest in the Bond Purchase Agreement, the Note and the Bonds by written notice to the Issuer, the Trustee and the Borrowers, including evidence of such transfer, but only in a manner that is consistent with the applicable securities laws, in which case the Issuer shall issue a new Bond payable to the assignee and the Bondholders shall assign the Bond Purchase Agreement, endorse the Note to its assignee and surrender the Bonds to the Issuer, which assignment shall not by itself affect the purchase by the Trustee.

c. Successors, etc. This Bond Purchase Agreement shall be binding upon and inure to the benefit of the Issuer, the Trustee and the Bondholders and their respective successors and assigns; provided that the Issuer may not transfer its rights under this Bond Purchase Agreement without the prior written consent of the Bondholders, which consent shall not be unreasonably withheld.

d. Set-off. Nothing in this Bond Purchase Agreement shall be deemed a waiver of or prohibition on the exercise by the Bondholders of any rights it may have with respect to offset of liabilities owed to the Issuer or the Borrowers.

e. Governing Law. This Bond Purchase Agreement shall be construed in accordance with and governed by the law of the State of Indiana.

f. Amendments. Except as provided in subsection (b) hereof, this Bond Purchase Agreement may not be amended, modified or waived except with the written consent of the Issuer, the Trustee, the Borrowers and of the Bondholders.

g. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Bond Purchase Agreement to be duly executed as of the day and year first above written.

CITY OF FORT WAYNE, INDIANA

By_____
Winfield C. Moses, Jr., Mayor

(Seal)

Attest:

_____
Charles W. Westerman, Clerk

LINCOLN NATIONAL BANK AND TRUST
COMPANY OF FORT WAYNE, AS TRUSTEE

By_____
_____, _____

(Seal)

Attest:

_____
_____, _____

LINCOLN NATIONAL BANK AND TRUST
COMPANY OF FORT WAYNE

By_____
_____, _____

(Seal)

Attest:

_____
_____, _____

Schedule A

(Form of Bond)

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF INDIANA
CITY OF FORT WAYNE, INDIANA,
ECONOMIC DEVELOPMENT FIRST MORTGAGE REVENUE BOND
(HERBERT P. HATFIELD AND ALICE M. HATFIELD PROJECT)

The City of Fort Wayne, a municipal corporation organized and existing under the laws of the State of Indiana ("Issuer"), for value received, promises to pay from the source and as hereinafter provided to Lincoln National Bank and Trust Company of Fort Wayne (the "Bondholder"), the principal sum of Three Hundred Fifty Thousand Dollars ($350,000) with interest on the unpaid balance thereof at the rate per annum of 65% of the prime commercial lending rate announced by Lincoln National Bank and Trust Company of Fort Wayne at its principal office (calculated on the basis of a 360-day year, 30-day month) payable monthly on the first day of each month commencing on March 1, 1981, except as hereinafter provided, and except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto.

Principal of this bond is payable in monthly installments as follows:

(i) on May 1, 1981, and on the first day of each month thereafter to and including March 1, 1996, the amount of $1,944.44 for each monthly payment; and

(ii) on April 1, 1996, a final payment in the amount of the entire principal amount remaining unpaid on this Bond.

Principal of and interest on this bond is payable to the Bondholder in lawful money of the United States of America in immediately available funds by check or draft drawn on Lincoln National Bank and Trust Company of Fort Wayne, as Trustee (the "Trustee") and mailed to the Bondholder.

Redemption of this Bond shall be applied in inverse order of the installments of principal due on this Bond. In the event the bond is partially redeemed, such redemption shall be reflected on the bond.

This bond ("Bond") is issued pursuant to the Bond Purchase Agreement and Trust Indenture, dated as of February 1, 1981, among Issuer, the Trustee and the Bondholder (the "Bond Purchase Agreement"). This Bond is issued for the purpose of financing certain economic development facilities ("Project"), in the City of Fort Wayne, Indiana, for the Borrowers, and paying necessary expenses incidental thereto so as to promote diversification of economic development and job opportunities in and near the City of Fort Wayne, Indiana. The proceeds of the Bond will be loaned by Issuer to Borrowers ("Loan") under the terms of a Loan Agreement, Mortgage and Security Agreement dated as of February 1, 1981 ("Loan Agreement" as from time to time amended and supplemented), and Borrowers have issued a Note dated the date hereof, ("Note") as evidence of their obligation to repay the Loan.

Reference is made to the Bond Purchase Agreement and the Loan Agreement for a description of the property granted as security, and interests pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of Issuer, Trustee, Borrowers, and Bondholder and terms upon which the Bond is issued and secured, and to all the provisions of which the Bondholder hereof by the acceptance of this Bond assents.

This Bond and the interest of the Bondholder under the Bond Purchase Agreement are transferable in the manner and subject to the limitations provided in the Bond Purchase Agreement, and upon surrender of this Bond. Upon such transfer a new Bond will be issued to the transferee in exchange therefor.

This Bond shall be subject to redemption as provided in Section 4 of the Bond Purchase Agreement. In the event of a Determination of Taxability (as defined in the Loan Agreement), interest on the Bond shall increase as provided in Section 4 of the Bond Purchase Agreement.

The Bond is issued pursuant to and in full compliance with the constitution and laws of the State of Indiana, particularly the Indiana Code, Title 18, Article 6, Chapter 4.5 and pursuant to an ordinance adopted by Issuer which ordinance authorizes the execution and delivery of the Loan Agreement and the Bond Purchase Agreement. This Bond is a limited obligation of Issuer and is payable solely out of the revenues and other amounts derived from the Note and the Agreement. Neither the State of Indiana, nor Issuer, nor any political subdivision shall be obligated to pay the principal of the Bond or the interest thereon or other costs incident thereto except from the revenues and money pledged therefor. Neither the faith and credit nor the taxing power of the State of Indiana or any political subdivision thereof is pledged to the payment of the principal of the Bond and the interest thereon or other costs incident thereto. Payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest on the Bond are to be paid by the Borrowers to the Bondholder for the account of Issuer, and have been duly pledged, transferred, set over, and assigned and a security interest granted and conveyed for that purpose, and in addition the Issuer has assigned, transferred, pledged, and granted and conveyed a security interest in and to the Loan Agreement and the Note to the Bondholder to secure payment of such principal, premium, if any, and interest under the Bond Purchase Agreement.

The Bond Purchase Agreement and the Loan Agreement may be modified only as provided therein. Any such consent or waiver by the holder of this Bond shall be conclusive and binding upon such holder and upon all future holders of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Bond.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Purchase Agreement and the Loan Agreement and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond together with all other obligations of Issuer, do not exceed or violate any constitutional or statutory limitation; and that the

revenues pledged to the payment of the principal of, premium, if any, and interest on this Bond, as the same become due, will be sufficient in amount for that purpose.

IN WITNESS WHEREOF, the City of Fort Wayne, Indiana, has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of its Clerk, all as of the _____ day of _____, 1981.

CITY OF FORT WAYNE, INDIANA

By _____
Mayor

Attest:

_____
Clerk

(SEAL)

Assignment

For Value Received _____
hereby sell(s), assign(s) and transfer(s) unto

_____ _____
(Please print or typewrite name and address including postal zip code of transferee) (Social security number of transferee)

the within Bond, together with accrued interest thereon and all right, title and interest thereto, and hereby irrevocably authorize(s) and appoint(s) _____ attorney to transfer said Bond with full power of substitution in the premises.

Dated _____

_____L.S.

In the presence of

_____

Redemption

Date	Amount	Installments of Principal Eliminated or Reduced

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, the undersigned, a notary public in and for said county and state, personally appeared Winfield C. Moses, Jr. and Charles W. Westerman, personally known to me to be the Mayor and Clerk, respectively, of the City of Fort Wayne, State of Indiana, and acknowledged the execution of the foregoing Bond Purchase Agreement for and on behalf of said City.

WITNESS my hand and notarial seal this _____ day of _____, 1981

_____
(Written Signature)

_____
(Printed Signature

Notary Public

(SEAL)

My commission expires:

_____

My county of residence is:

_____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, the undersigned, a notary public in and for said county and state, personally appeared _____ and _____, personally known to me to be the _____ and _____, respectively, of Lincoln National Bank and Trust Company of Fort Wayne and acknowledged the execution of the foregoing Bond Purchase Agreement for and on behalf of said corporation.

WITNESS my hand and notarial seal this _____ day of _____, 1981

_____
(Written Signature)

_____
(Printed Signature

Notary Public

(SEAL)

My commission expires:

_____

My county of residence is:

_____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, the undersigned, a notary public in and for said county and state, personally appeared _____ and _____, personally known to me to be the _____ and _____, respectively, of Lincoln National Bank and Trust Company of Fort Wayne, as Trustee and acknowledged the execution of the foregoing Bond Purchase Agreement for and on behalf of said corporation.

WITNESS my hand and notarial seal this _____ day of _____, 1981

_____
(Written Signature)

_____
(Printed Signature

Notary Public

(SEAL)

My commission expires:

_____

My county of residence is:

_____

2/10/81

COLLATERAL ASSIGNMENT OF LEASE AND RENTALS

COLLATERAL ASSIGNMENT OF LEASE AND RENTALS, dated as of February 1, 1981, by and between Herbert P. Hatfield and Alice M. Hatfield, husband and wife (collectively, "Assignor"), and Lincoln National Bank and Trust Company of Fort Wayne, a national banking association with its principal banking offices at Fort Wayne, Indiana, as Bondholder ("Bondholder"), pursuant to the Bond Purchase Agreement dated as of the date hereof ("Bond Purchase Agreement"), among the City of Fort Wayne ("Issuer"), Bondholder and Lincoln National Bank and Trust Company of Fort Wayne, as Trustee (the "Trustee").

The Assignor and Keystone Concrete, Inc., an Indiana corporation ("Lessee"), have entered into a Lease Agreement dated as of February 1, 1981, ("Lease"), providing for the leasing by the Assignor to the Lessee of certain real estate, and the improvements thereon and certain equipment therein ("Project").

The Assignor desires to finance a portion or all of the cost of the Project by borrowing from the Issuer, pursuant to the Loan Agreement, Mortgage and Security Agreement dated as of the date hereof ("Loan Agreement") between the Issuer and the Assignor, the proceeds of economic development revenue bonds issued by the Issuer pursuant to the Bond Purchase Agreement. Such borrowings (hereinafter collectively called the "Loan"), are to be evidenced by a promissory note of the Assignor (hereinafter called the "Note"), payable to the Issuer and endorsed thereby to the Bondholder. The obligations of the Assignor arising under the Loan Agreement, the Note and this Assignment are hereinafter collectively called the "Liabilities".

NOW, THEREFORE, to induce the Issuer to enter into the Loan Agreement, Mortgage and Security Agreement, and to induce the Bondholder to enter into the Bond Purchase Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Assignor agrees as follows:

1. As security for the payment and performance of the Liabilities, the Assignor hereby assigns, transfers and sets over unto the Bondholder all the Assignor's right, title and interests, as lessor under the Lease, together with all rights, powers and privileges and other benefits of the Assignor, as lessor under the Lease, including without limitation, the immediate right to receive and collect all basic rentals payable to or receivable by the Assignor under or pursuant to the provisions of the Lease, and the right to make all waivers and agreement, to give all notices, consents and releases, to take all action upon the happening of a default under the Lease, and

to do any and all other things whatsoever which the Assignor, as lessor, is or may become entitled to do under the Lease. In furtherance of the foregoing Assignment, the Assignor hereby irrevocably authorizes and empowers the Bondholder in its own name, or in the name of its nominee, or in the name of the Assignor, or as its attorney, to ask, demand, sue for, collect and receive any and all basic rentals to which the Bondholder is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions of the Lease.

2. The Assignment made hereby is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Bondholder to, or transfer or pass, or in any way affect or modify the liability of the Assignor under the Lease, it being understood and agreed that notwithstanding such Assignment, or any subsequent assignment, all obligations of the Assignor to the Lessee under the Lease shall be and remain enforceable by the Lessee, its successors and assigns against, and only against, the Assignor.

3. The Assignor covenants and agrees that it will perform all of its obligations to be performed under the terms of the Lease, and hereby irrevocably authorizes and empowers the Bondholder, in its own name or in the name of its nominee, or in the name of the Assignor as its attorney on the happening of any failure by the Assignor to perform, or cause to be performed, any such obligation, all at the Assignor's expense.

4. Upon the full discharge and satisfaction of the Liabilities, the Assignment made hereby and all rights herein assigned to the Bondholder shall cease and terminate, and all estate, right, title and interest of the Bondholder in and to the Lease shall revert to the Assignor.

5. The Assignor warrants and covenants that: (a) the execution and delivery by the Assignor of the Lease, the Loan Agreement, Mortgage and Security Agreement, this Assignment are (or, upon their execution and delivery in accordance with the Bond Purchase Agreement, will be), and will remain, the valid and binding obligations of the Assignor in accordance with their terms; (b) the Assignor has not executed any other assignment of the Lease and its right to receive all payments of basic rental under the Lease is and will continue to be free and clear of any and all liens, agreements or encumbrances (except this Assignment), created or suffered by any act or omission on the part of the Assignor (other than any act or omission in respect of which the Lessee has assumed responsibility under the Lease), and the Assignor has received no

advance basic rental payments under the Lease; (c) notwithstanding this Assignment, the Assignor will conform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by it; and (d) to the knowledge of the Assignor, it has performed all obligations on its part to be performed under the Lease on or prior to the date hereof, and there has not occurred on or prior to the date hereof any default under the Lease.

6. The Assignor covenants and agrees with the Bondholder that any suit, proceeding or action brought by the Bondholder under the Lease for any installment of, or interest on, any basic rental payment or other sum owing thereunder, or to enforce any provisions of such Lease, the Assignor will save, indemnify and keep the Bondholder harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee thereunder or its successors, arising out of a breach by the Assignor of any obligation under the Lease or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Assignor. Any and all such obligations of the Assignor shall be and remain enforceable against, and only against, the Assignor and shall not be enforceable against the Bondholder or any party or parties in whom any of the rights of the Assignor under the Lease shall vest by reason of the successive assignments or transfers.

7. The Assignor will, from time to time, execute all such financing statements and supplemental instruments reasonably requested by the Bondholder in order to confirm or further assure the Assignment made hereby and the provisions hereof.

8. The Bondholder may assign all or any of its rights under the Lease, including the right to receive any payments of basic rental due or to become due to it from the Lessee thereunder. In the event of any such assignment and such subsequent or successive assignments, assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Bondholder hereunder.

9. The Assignor agrees that it will not, without the prior written consent of the Bondholder, enter into any agreement amending, modifying or terminating the Lease, and that any attempted amendment, modification or termination thereof without such consent shall be void.

10. This Assignment shall be governed by the laws of the State of Indiana.

11. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. The Assignor shall cause copies of all notices in connection with the Lease to be promptly delivered to the Bondholder at 116 East Berry Street, Fort Wayne, Indiana 46802, or at such other address as the Bondholder shall designate.

IN WITNESS WHEREOF, the Assignor has caused this instrument to be signed as of the date first above written.

_____

Herbert P. Hatfield

_____

Alice M. Hatfield

This instrument prepared by Philip C. Genetos, Attorney, Ice Miller Donadio & Ryan, 111 Monument Circle, Indianapolis, Indiana 46204 - (317) 635-1213.

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, a Notary Public in and for said County and State, personally appeared Herbert P. Hatfield and Alice M. Hatfield, who, acknowledged the execution of the foregoing Collateral Assignment of Lease and Rentals, and who, having been duly sworn, stated that any representations contained therein are true.

Witness my hand and Notarial Seal this _____ day of _____, 19____.

_____
(Written Signature)

_____
(Printed Signature)

Notary Public

My commission expires:

_____

My county of residence is:

_____

2/10/81

LESSEE'S CONSENT AND AGREEMENT TO LEASE ASSIGNMENT

CONSENT AND AGREEMENT, dated as of February 1, 1981, of Keystone Concrete, Inc., an Indiana corporation ("Lessee").

The Lessee, lessee under the Lease Agreement dated as of February 1, 1981 ("Lease"), with Herbert P. Hatfield and Alice M. Hatfield, husband and wife (collectively, "Assignor"), acknowledges receipt of a true copy of the Collateral Assignment of Lease and Rentals dated as of the date hereof ("Assignment"), from Assignor to Lincoln National Bank and Trust Company of Fort Wayne, a national banking association, as Bondholder ("Bondholder"), pursuant to the Bond Purchase Agreement dated as of the date hereof, and hereby:

1. Consents to all the provisions contained in the Assignment, insofar as the same pertain to the Lease, and agrees that the rights, powers, privileges and other benefits assigned to the Bondholder thereby, and all remedies under the Lease may be enforced by the Bondholder, separate and apart from, and without notice to or consent or joinder of, Assignor, or any mortgagee, secured party or assignee of the rights, powers, privileges or other benefits under the Lease not thereby assigned to the Bondholder;

2. Waives as against the Bondholder, its successors and assigns, all claims now or hereafter existing against Assignor under the Lease;

3. Agrees that until such time, if any, as the Assignment shall cease and terminate, the Lessee will deposit in the Bond Fund established in the Bond Purchase Agreement and Trust Indenture dated as of February 1, 1981, among the City of Fort Wayne, the Bondholder and Lincoln National Bank and Trust Company of Fort Wayne, as Trustee, an amount equal to all basic rentals and other amounts (excepting only rentals over and above basic rentals), payable to Assignor by the Lessee according to the terms of the Lease, without any abatement, reduction, defense, setoff, counterclaim or recoupment whatsoever, and will not surrender the Project subject to the Lease to any person other than the Bondholder, or otherwise in accordance with written instructions delivered to it by the Bondholder;

4. Agrees that it will not, without the prior written consent of the Bondholder, enter into any agreement amending, modifying or terminating the Lease, and that any attempted amendment, modification or termination without such consent shall be void;

5. Agrees that it will remain obligated under the Lease in accordance with its terms and that it will not take any action to terminate, rescind or void the Lease (except with respect to obligations to pay rentals over and above basic rentals), notwithstanding any default by Assignor, the existence of any defense, setoff, counterclaim or right or abatement, reduction or recoupment as between Assignor and the Lessee, the existence of any other liability or obligation of any kind or character on the part of Assignor to the Lessee or to any third person or governmental authority, or any bankruptcy or other proceedings affecting Assignor or any assignee thereof, or any action taken by any trustee or receiver of Assignor, or of any such assignee or by any court in any such proceeding; and

6. Warrants to the Bondholder that the Lease is valid, in full force and effect, and is enforceable in accordance with its terms, the Lessee has made no advance payments of basic rental thereunder, and neither Assignor nor the Lessee is in default thereunder.

KEYSTONE CONCRETE, INC.

By: _____

(SEAL)

Attest:

_____

Accepted and agreed by the Bondholder this _____ day of _____, 1981.

LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE

By: _____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, a Notary Public in and for said County and State, personally appeared _____ and _____, of Keystone Concrete, Inc., who, acknowledged the execution of the foregoing Lessee's Consent and Agreement to Lease Assignment, for and on behalf of Keystone Concrete, Inc., and who, having been duly sworn, stated that any representations contained therein are true.

Witness my hand and Notarial Seal this _____ day of _____, 1981.

_____
(Written Signature)

_____
(Printed Signature)

Notary Public

My commission expires:

_____

My county of residence is:

_____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, a Notary Public in and for said County and State, personally appeared _____ of Lincoln National Bank and Trust Company of Fort Wayne, as Bondholder, who, acknowledged the execution of the foregoing Lessee's Consent and Agreement to Lease Assignment, for and on behalf of Lincoln National Bank and Trust Company of Fort Wayne, and who, having been duly sworn, stated that any representations contained therein are true.

Witness my hand and Notarial Seal this _____ day of _____, 1981.

_____
(Written Signature)

_____
(Printed Signature)

Notary Public

My commission expires:

_____

My county of residence is:

_____

This instrument was prepared by Philip C. Genetos, Attorney, Ice Miller Donadio & Ryan, 111 Monument Circle, Indianapolis, Indiana 46204 - (317) 635-1213.

GUARANTY AGREEMENT

The Guaranty Agreement ("Agreement") made and entered into as of February 1, 1981, by and between Keystone Concrete, Inc., which corporation is duly organized and existing under the laws of the State of Indiana, (the "Guarantor"), and Lincoln National Bank and Trust Company of Fort Wayne, a national banking association located in Fort Wayne, Indiana (the "Bondholder," or, such Bank and all successors or assigns the "Bondholders");

WITNESSETH:

WHEREAS, the the City of Fort Wayne ("Issuer") has the authority pursuant to Indiana Code, Title 18, Article 6, Chapter 4.5, to issue revenue bonds of the Issuer for the purpose of financing the acquisition, construction, installation and equipping of economic development facilities; and

WHEREAS, the Issuer has authorized the issuance of $350,000 revenue bonds of the Issuer and the lending of the proceeds thereof to Herbert P. Hatfield and Alice M. Hatfield ("Borrowers") pursuant to a Loan Agreement, Mortgage and Security Agreement, dated as of February 1, 1981 ("Loan Agreement") for the purpose of acquiring, constructing, installing and equipping of economic development facilities ("Project") and the aforesaid bonds are hereinafter referred to as the "Bonds"; and

WHEREAS, the Bonds are to be issued under and pursuant to a Bond Purchase Agreement and Trust Indenture ("Bond Purchase Agreement"), dated as of the date hereof by and between the Issuer, the Bondholder, and Lincoln National Bank and Trust Company of Fort Wayne, Trustee (the "Trustee") and the Ordinance of the Issuer; and

WHEREAS, the Guarantor is leasing the Project from the Borrowers and is desirous that the Issuer issue the Bonds and apply the proceeds as aforesaid for the Borrowers, and is willing to enter into this Agreement in order to enhance the marketability of the Bonds and thereby achieve interest cost and other savings to the Borrowers, and resulting lease rentals savings to the Guarantor; and as an inducement to the purchase of the Bonds by the Bondholderss, the Guarantor does hereby, subject to the terms hereof, covenant and agree with the Bondholders as follows:

ARTICLE I

Representations and Warranties of the Guarantor

Section 1.1. The Guarantor does hereby represent and warrant that it is a corporation duly organized and in good standing under the laws of the State of Indiana; it is not in default under any provisions of its Articles of Incorporation; it has corporate power under the laws of the State of Indiana and under its Articles of Incorporation to enter into and perform all agreements on its part herein contained; it has been authorized to enter into this Agreement by all necessary and proper corporate action; the execution and delivery by it of this Agreement and the agreements herein contained do not contravene or constitute a default under any provision of its Articles of Incorporation or by-laws or any agreement, indenture or other commitment to which it is a party or by which it is or may be bound; and this Agreement constitutes a valid, legal and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

ARTICLE II

Covenants and Agreements

Section 2.1. The Guarantor hereby unconditionally guarantees to the Bondholder (a) the full and prompt payment of the principal of and any premium on the Note of the Borrowers in the amount of $350,000, dated as of the date of delivery thereof pursuant to the Loan Agreement (such note and any replacements or substitutes thereto issued pursuant to the Loan Agreement, the "Note"), when and as each of the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption, prepayment or otherwise, (b) the full and prompt payment of any interest on the Note when and as each of the same shall become due; and (c) the full and prompt payment of any other payments due from the Borrowers under the Loan Agreement; and agree, in the event of any failure of the Borrowers promptly to make such payments of principal, premium, if any, or interest on the Note, or other payments due under the Loan Agreement, to make such payments into the Bond Fund established under the Bond Purchase Agreement for the benefit of the Bondholder.

All payments by the Guarantor shall be paid in lawful money of the United States of America at the office of the Trustee for deposit in such Bond Fund for the account of the Issuer. Each and every default in payment of the principal of, premium,

if any, or interest on the Note shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

Section 2.2. Subject to Section 2.9 hereof, the obligations of the Guarantor under this Agreement shall be absolute and unconditional and shall remain in full force and effect until the entire principal of, premium, if any, and interest on the Note shall have been paid or duly provided for in accordance with the provisions of the Loan Agreement and until such payment or provision shall have been made, shall not be affected, modified or impaired upon the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or the consent of the Guarantor:

(a) the waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Borrowers under the Loan Agreement;

(b) the failure to give notice to the Guarantor of the occurrence of a default under the terms and provisions of the Loan Agreement, the Note, or this Agreement;

(c) the transfer, assignment or mortgage or the purported transfer, assignment or mortgage of all or any part of the interest of the Issuer or the Borrowers in the Project (as defined in the Loan Agreement) or any failure of title with respect to the interest of the Issuer or Borrowers in the Project or the invalidity, unenforceability or termination of the Loan Agreement or the Note;

(d) the waiver, compromise, settlement, release or termination of the payment, performance or observance by the Issuer or the Borrowers or any subsequent successor thereto of any of the obligations, covenants or agreements of any of them contained in the Loan Agreement, the Note or this Agreement;

(e) the extension of the time for payment of any principal of, premium, if any, or interest on the Note owing or payable on the Note or under this Agreement or of the time for performance of any other obligations, covenants or agreements under or arising out of the Loan Agreement, the Note or this Agreement or the extension or the renewal of either thereof;

(f) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Loan Agreement or the Note;

(g) the taking or the omission of any of the actions referred to in the Loan Agreement, the Note or this Agreement;

(h) any failure, omission, delay or lack on the part of the Issuer or the Bondholder to enforce, assert or exercise any right, power or remedy conferred on the Issuer or the Bondholder in this Agreement, the Loan Agreement, or the Note, or any other act or acts on the part of the Issuer or the Bondholder;

(i) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Borrowers or the Issuer or any successor thereto or any of the assets of any of them, or any allegation or contest of the validity of this Agreement, the Note, or the Loan Agreement in any such proceeding or the disaffirmance of the Loan Agreement, the Note or this Agreement in any such proceeding;

(j) to the extent permitted by law, the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Agreement by operation of law;

(k) the default or failure of the Guarantor fully to perform any of its obligations set forth in this Agreement; or

(l) the lack of authority of any individual executing, the nonbinding status of, or the invalidity or unenforceability of the Note or any limitations on the liability of the Borrowers thereunder.

The Guarantor hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable by the Borrowers under or in connection with the Note and the Loan Agreement.

Section 2.3. No set-off, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature which the Guarantor has or may have against the Issuer or the Borrowers or any successor thereto shall be available hereunder to the Guarantor against the Issuer.

Section 2.4. In the event of a default in payment of the principal of, or premium, if any, on the Note when and as either shall become due, whether at the stated maturity thereof, by acceleration or call for redemption or otherwise or upon the occurrence of an event of default under the Loan Agreement, the Issuer or the Bondholder may proceed hereunder directly against the Guarantor under this Agreement.

Section 2.5. The Guarantor hereby expressly waive notice, in writing or otherwise, from the Issuer or the Bondholder of their acceptance and reliance on this Agreement. The Guarantor agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, which may be incurred by the Bondholder in enforcing or attempting to enforce this Agreement following any default on the part of the Guarantor hereunder, whether the same shall be enforced by suit or otherwise.

Section 2.6. The Guarantor will keep proper books of record and account and will furnish to the Bondholder net worth statements based on a calendar year fiscal year.

Section 2.7. This Agreement is entered into by the Guarantor for the benefit of the Bondholder.

Section 2.8. The terms of this Agreement may be enforced as to any one or more breaches either separately or cumulatively.

Section 2.9. Anything in this Agreement to the contrary notwithstanding, a payment by the Borrowers or the Guarantor to the Issuer of any item contemplated by Section 2.1 of this Agreement to be paid shall constitute a full and complete discharge and release of the Guarantor of its obligations under this Agreement with respect to said item, and after any such payment shall be made to the Issuer, the Guarantor shall not be liable for, or be required or obligated to see to, the application or disposition of such payment by the Issuer.

Section 2.10. The Guarantor agrees that during the term hereof it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it; provided, that the Guarantor may, without violating the agreement contained in this Section (a) consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, provided the surviving or resulting corporation, as the case may be, is organized under the laws of one of the states of the United States and assumes in writing all of the

obligations of the Guarantor herein, or (b) transfer to another corporation organized under the laws of one of the states of the United States all or substantially all of its assets as an entirety and thereafter dissolve if the corporation to which such transfer shall be made expressly assumes in writing all of the obligations of the Guarantor herein.

ARTICLE III

Notice and Service of Process, Pleadings and Other Papers

Section 3.1. The Guarantor covenants that it is a corporation subject to service of process in the State of Indiana. The Guarantor hereby designates and appoints, without power of revocation, (i) as resident agent in the State of Indiana for service of process in the State of Indiana _____ or (ii) if that agent shall cease to act, the Secretary of State of the State of Indiana, as the agent of the Guarantor upon whom may be served all process, pleadings, notices or other papers which may be served upon the Guarantor as a result of any of its obligations under this Agreement. The Guarantor covenants also that it will at all times have designated in the State in which the principal office of the Trustee is located a statutory agent for the service of process.

Section 3.2. Any notice, process, pleadings or other papers served upon any of the foregoing agents shall, at the same time, be sent by registered mail to 11711 West Wind Drive, Fort Wayne, Indiana 46825, Attention: President, or such other addresses as may be furnished by Guarantor to the Bondholder in writing.

ARTICLE IV

Miscellaneous

Section 4.1. No amendment, change, modification, alteration or termination of the Loan Agreement or the Note shall be made which would in any way increase the Guarantor's obligations under this Agreement without obtaining the prior written consent of the Guarantor.

Section 4.2. The obligations of the Guarantor hereunder shall arise absolutely and unconditionally on the issuance of the Note by the Borrowers.

Section 4.3. No remedy herein conferred upon or reserved to the Issuer or the Bondholder hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Bondholder to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice.

In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties thereunder duly authorized by this Agreement.

Section 4.4. Notwithstanding anything therein to the contrary, if the Guarantor shall assume any of the obligations of the Borrowers, their successors and assigns under the Loan Agreement, it shall have all the rights and obligations of the Borrowers, their successors and assigns under the Loan Agreement, and it does not by virtue of this Agreement waive any such rights or causes of action the Borrowers, their successors and assigns may or would have under the Loan Agreement; provided, however, that the enforcement or attempted enforcement of any such rights or causes of action by the Guarantor shall not affect the unconditional nature of the guarantee under this Agreement which shall remain enforceable in accordance with its terms.

Section 4.5. Guarantor shall, to the extent of any payments made by it pursuant to its guarantee contained in this Agreement, be subrogated to the extent permitted by law to all rights of the Issuer or Bondholders as to all payments and damages payable by the Borrowers or any successor or assign thereof with respect to which such payments shall be made by Guarantor, and such right of subrogation on the part of Guarantor shall in all respects survive the retirement of all of the Bonds and the coupons appertaining thereto, if any.

Section 4.6. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4.7. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections in this Agreement contained, shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

Section 4.8. This Agreement may be amended to the same extent and upon the same conditions that the Loan Agreement may be amended by a written agreement signed by the parties hereto, provided that in no event shall any amendment be made without the consent of the Guarantor.

Section 4.9. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

IN WITNESS WHEREOF, the Guarantor has caused this Agreement to be executed in its own name, as of the date first above written.

KEYSTONE CONCRETE, INC.

_____

President

Attest:

_____

Secretary

Accepted this _____ day of _____, 1981 by

LINCOLN NATIONAL BANK AND TRUST
COMPANY OF FORT WAYNE

By _____
_____, _____

(Seal)

Attest:

_____
_____, _____